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Tuesday August 10 1982

# NEWS SUMMARY

GENERAL

# Six killed in Jewish fall 8.4: quarter gilts of Paris off 0.27

group called Direct Action, which police believe has Middle East connections, claimed 'responsibility for the shooting at a Paris restaurant which killed three men and three women and wounded 12.

Two men entered the Jo-Goldenberg restaurant near the Place de la Bastille, posing as lunchtime customers, threw a grenade and sprayed diners and staff with pistol bullets. They then walked along the street picking off people trying to hide in doorways or behind parked cars and drove off as police

Lebanon attacks

Israel launched further fierce air and artillery strikes against Palestinian positions in West Beirut and central Lebanon. Diplomatic efforts continued to hampered by the question of where the Palestinian fighters would go if they left the Lebanese capital.

## **Uister violence**

Hundreds of petrol bombs were thrown at police, cars set onfire and buildings destroyed as Republicans in Northern Ireland marked the eleventh anniversary of the introduction of internment without trial phased out in 1975. Help for hombing victims Page 5, RUC men expelled Page 5

## Corsican result

Corsican nationalists took 13 per cent of the vote in elections for France's first homerule assembly for the island, giving them eight of the 61 seats and the balance of power. Fast broken

## Soviet hunger striker Yuri

Balovlenkov broke his 36-day fast after his American wife lied to him, saying the authorilied to him, saying the authorities had promised he could emission if he regioned eating 236 at £809.5. Page 21 grate if he resumed eating.

## £2 a slave

Five pesos (£2) is the going Page 22 rate for Haitians captured and to the sugar mills in neighbouring Dominican Republic, a United Nations group on slavery heard in

## Cannibalism case Page 2

A 38-year-old Pole accused of murder and cannibalism of a 23-year-old woman has committed suicide, says the Polish news agency Pap. His wife, suspected of complicity, is being detained.

## Bishop wounded

The head of the Anglican Church in Uganda, Archbishop Silvanus Wani, was shot \and wounded in the thigh by robbers who took his car in the centre of Rampala.

## Lost in space

A United Nations conference intended as a demonstration of technological wizardry in outer when live messages beamed by satellite from the presidents of

astray on their way to Vienna. Channel junior Jason Pipoly, an 11-year-old

Denver boy, will attempt to swim the English Channel some time between August 12 and August 18, hoping to become the youngest person ever to do

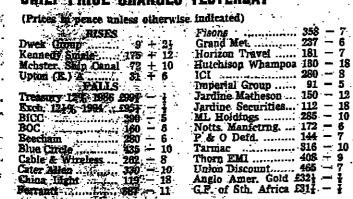
## The wild West

A police helicopter was helping search for an animal resembling a puma seen by farmer Roy. Bragg on his land at Ide, near Exeter. There have been similar reports in the area.

Briefly . . . Four-star petrol prite will be 172-3p from tuday. Page 6

Sir Thomas Waterlow, prominent Scottish business-man, died at 61

# CHIEF PRICE CHANGES YESTERDAY



# AEG Telefunken 'unable to pay debts'

**Equities** 

BUSINESS

• EQUITY dealers lowered prices of leading shares in a largely successful attempt to deter nervous selling. The market was concerned about the economic outlook at home and in the U.S. and the FT 30-Share index closed 8.4 down at 540.4. Page 23

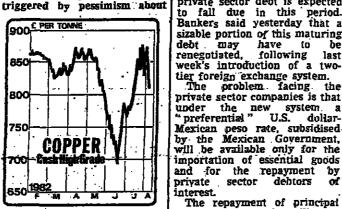
• GILTS gave more ground with some dates losing as much as \ point. Government Securities index was 0.27 off at 72.39.

● DOLLAR closed up at DM 2.518 (DM 2.5), SwFr 2.1475 (SwFr 2.13) and Y262,1 (Y260.4). Trade weighted index was 122.7 (121.8). Page 24

STERLING fell 1.25c to \$1.7 but firmed to DM 4.285 (DM 4.28) and SwFr 3.655 (SwFr 3.65). Trade weighted index was 90.7 (91.1). Page 24

ing to Mexico were yesterday bracing themselves for the re- GOLD fell \$10 to \$336.5 in negotiation of a significant part London In New York, the Comex August close was \$335.5 of the private sector Mexican debt which falls due in the next (\$344.5). Page 21 As much as half of the country's \$18bn to \$20bn of

• COPPER prices fell sharply in London on speculative selling triggered by pessimism about to fall due in this period. Bankers said yesterday that a



the U.S. economy. Higher-

WALL STREET was 4.95 down at 779.39 near the close.

• JAPAN'S balance of payments surplus could grow sevenfold by the end of next year. Back Page

• HUNGARY has increased fares and food prices sharply.

• U.S. GOVERNMENT has reassured the EEC it does not consider the recent steel pact to be dead, said the EEC Industry Commissioner. Back

• BANK OF CHINA, China's international bank is to pay HK\$1bn (£96.5m) for a new local headquarters site in central Hong Kong. Back Page

• ITALY has imposed new controls on foreign-based subsidiaries of Italian companies.

• ICI is investing £32m in its U.S. plastic film business. Page

• CITTES SERVICE U.S. oil company, sued Gulf Oil for £1.8bn damages after Gulf dropped its £2,95n takeover bid. Back Page

 DE LOREAN Belfast factory rescue consortium plans to make a new product alongside the sports cars. Page 5

● ABBEY NATIONAL'S sevenday account has attracted about £100m since its August 1 launch.

COMALCO, Australian aluminium producer, reported first-half net profits slashed from A\$13.52m (£7.69m) to A\$4.28m.

Page 19 • CARRINGTON VIYELLA textile manufacturer, cut first half pre-tax loss from £3.02m

TRANSPORT Development

to £2.63m. Page 14; Lex. Back

# Group lifted pre-tax profit from 17.16m to 18.01m in the first half. Page 14

# decent burial ...... 12 U.S. pharmaceuticals: the big switch in

Reaganomics: Martin Feldstein risks his reputation ..... 4 Management: making progress with new

companies ...... 10

Radioactive waste: difficulties of a

Racing Stock Markets: 22 22 Bourses ..... Initial ... Fenchurch Ins. ...

BY KEVIN DONE AND STEWART FLEMING IN FRANKFURT

The group, again facing heavy losses this year, said yesterday it was no longer able to meet its financial obligations. Among the first sectors to be hit will be many of West

Germany's banks, which are facing the prospect of loan write-offs probably in excess of DM 2bn in a year which has already seen corporate bank-ruptcies surge by 40 per cent. is now seeking to avoid bankruptcy by persuading creditors to write off at least 60 per cent of their claims. Share prices plunged in

the decision to suspend trading slumped further against the U.S. dollar to around DM 2.53

BY ALAN FRIEDMAN

BANKERS INVOLVED in lend-

private sector debt is expected

sizable portion of this maturing

debt may have to be renegotiated, following last week's introduction of a two-

The problem facing the

private sector companies is that

under the new system a "preferential" U.S. dollar-

"preferential" U.S. dollar-Mexican peso rate, subsidised by the Mexican Government,

will be available only for the

importation of essential goods

and for the repayment by

to be made at the new freely floating rate, which yesterday

stood at between 77 and 80

pesos to one U.S. dollar, a depreciation of more than 35

will make use o fibe preferen-

Sr Angel Gurria, the finance

ministry official responsible

for Mexico's external public

the Mexican directive on the

tial rate for its own public

sector debt servicing - total

Mexican government

debt, confirmed last night that \$80bn.

per cent since Thursday.

private sector debtors

tier foreign exchange system.

second-biggest West German - Early 1970s: AEG-Telefunken in financial trouble after electrical group with sales of nuclear power contract losses. Last dividend paid for 1973 DM 15bn (£3.5bn) annually, was business year. Management resbuffled. forced yesterday to apply to the September 1978: Siemens takes on nuclear losses, buys AEG

courts for a settlement with its stake in Kraftwerk-Union. Nuclear losses cumulatively reach creditors, which include banks, about DM 1.2bn.

holding at least DM 5bn of debts.

The group, again facing heavy

The group again facing heavy

• Spring 1981: AEG searches for joint venture partners. Video deal signed with JVC, Thorn-EMI and Thomson-Brandt. September 1981: Link with Bosch in telecommunications.
 October 1981: AEG seeks fresh bank support, writes off

• December 1981: Disposals bring in DM 700m cash. May 1982: GEC said to be interested in taking stake, after several months in which AEG openly seeking new equity. • June 1982: AEG management produces plan for new structure, dependent on banks'; union and government support.

• July 1982: Plan stalled despite government emergency aid.

Grundig willing to buy consumer electronics division. United Technologies seen as more likely investor than GEC.

The repercussions of the massive re-structuring of AEG's financial and commercial in AEG stock and the D-Mark obligations that must now take "Much will depend on the

**MEXICAN PESO** 

the private sector and not to

themselves in a tighter situation

than they were before," said

that the decision to introduce

a two-tier system was taken,

rationalisation of the exchange

rate and relieved we have built

a buffer against the outflow of

dollars from Mexico," he added.

dollars. Mexico's public and private sector foreign debt totals

crisis has been compounded by

what Sr Jesus Silva Herzog, the

The Mexican financial

The two-tier system, unprece-

that there is a

relieved

public sector foreign currency duced last week because of debt stands at around \$60bn. currency speculation which

new two-tier system referred what Sr Jesus Silva Herzog, the only to interest repayments by Finance Minister, last week

Some companies will find

Sr Gurria. But he said the on whether Mexico would go to

government had received signs the IMF. He said the introduc-

from banks that they were tion of the two-tier exchange prepared to be "flexible." rate should "underpin the

dented in Mexico, was intro- to do nothing, to devalue the

Bankers should be relieved measures we have taken.

against the DOLLAR

Renegotiation likely on part

of Mexico's private debts

in anticipation of the company's next two to three days and how the public reacts," Herr Hein Durr, the company's chief executive, said yesterday, after informing Herr Helmut Schmidt, the Federal Chancellor, about the latest stage in

called "limitations of foreign

credit available to Mexico." This

had put "unsustainable" pres-

In Mexico City, New York and

London yesterday, international bankers said that several

Mexican companies would not

be able to service their debt as

a result of the new floating

exchange rate for principal

repayments. "This will force

several companies to reschedule their debt," explained one

Bankers are also of the opinion that Mexico may have

to approach the International

Monetary Fund in the next few

months, if only to restore confi-

dence to its lenders with an

IMF seal of approval for its susterity measures.

Sr Gurria refused to comment

"What we need is the time

Quoting a speech over the

weekend by Sr Lopez Portillo,

the outgoing president, Sr Gurria said that three

"scenarios" had been outlined:

peso or to introduce the two-

tier system. President Lopez

Portillo said that if Mexico had

done nothing and continued to

finance the purchase of dollars

for the repayment of foreign

debt, it would have been head-

Editorial Comment. Page 12

necessary for these measures to

bite." he said.

ing for a default.

sure on the peso.

Herr Dürr hopes to keep a core operation in capital goods. which in its reorganised form could have sales of DM8bn worldwide and a workforce of around 60,000.

In its heavily loss-making consumer goods operations AEG appears to have accepted that the household appliances sector cannot be saved without outside help and it is seeking a partner to take over a majority interest. It will continue to pursue

negotiations with Grundig over the rescue of its Telefunken consumer exertronics business. Its vital telecommunications already partially hived off, are now expected to pass into the effective control of AEG's competitors Bosch and annesmann.

Crucial to the success of AEG's new course will be clear commitments from its bankers to pump in new loans to finance its operations through the next 18 months. Trade creditors, customers and suppliers, at home and

Health service strike

BY DAVID GOODHART, LABOUR STAFF

Service yesterday produced

Department of Health and

The main health unions, the

National Union of Public Employees and the Confedera-

Employees said that with the

the majority of hospitals were reduced to accident and emer-

The print union Sogat how-

halt national newspapers, after

request from Cohse General

Secretary Mr Albert Spanswick,

Mr John Mitchell, secretary of

Association

Social Security.

gency cover.

said.

Publishers'

patchy, says DHSS

THE FIRST of five days of Keys, Mr John Mitchell and

abroad, must be persuaded that a divided banking consortium will provide the further support AEG desperately needs. Herr Dürr said the company would open talks later this week with its foreign bankers with a view to drawing them into the rescue process, but he

the overseas banks are owed. The unpredictable reaction of AEG's foreign creditors could further complicate the rescue procedure in the West German

declined to disclose how much

The move to file for a settle-ment with creditors followed AEG's discussions at the week-end with the Federal finance and economics ministers. Bonn made clear that it still stands by its decision to offer a DM 600m loan guarantee for export orders.

Bonn has steadfastly turned down a direct state holding in Continued on Back Page Telefonbau treads an uncertair

road, Page 18 Lex, Back Page

# Rate %

# **Dow Jones** drops 10 coints

By Paul Taylor in New York and Max Wilkinson in London

THE WORLD'S financial markets shivered yesterday as renewed squalls of pessimism blew across the Atlantic with a sharp rise in dollar interest rates and a continued fall in U.S. share The Dow Jones industrial

average share index lost another 10 points by lunchtime, after Friday's steep plunge, to reach 774.54, its lowest level since April 1980. The index has fallen almost 50 points in less than a week, because of investors' continuing worries about the U.S. economy and the trend of interest rates. In London, Eurodollar interest rates rose sharply. The three-month rate was up is point from Friday, at 18 per

the dollar touched record levels against the Italian lira and the French franc. It drove sterling below \$1.70 at one stage in London, for the first time since December 1976. Sterling recovered a little in

workers, although stopping the

compromise: "It is the Government's refusal to negotiate on the details of our claim that is protracting the dispute."

Health union spokesmen said

obtained an injunction to halt of 150 of the major London the action at a private hearing area hospitals were reduced to before Mr Justice Leonard, Lord Marsh, the chairman of the emergency cover. NPA, said he assumed the law cent pay rise for the police and would be observed. "mislead-

The NPA had sued three many regional health authori-officials of Sogat '82, Mr Bill ties.

planned intensive industrial Mr Owen O'Brien, five officials action in the National Health of the NGA, including Mr Joe Wade, the general secretary, only a patchy response from and Mr Sean Gerahty of the health workers, according to the EPTU. The 1,000-strong London Press branch of the Electrical, cent. In the currency markets Electronic, Telecommunications

and Plumbing Union voted to tion of Health Service officials were meeting last night to decide their next moves in the service of the initial the Sogat announcement.

Last night Cohse said that, welcomed the support of print

ever last night talled off plans for industrial action tomorrow in support of health workers which had been expected to counter-productive in terms of popular support. Mr Spanswick later hinted in a statement at a possible

> esterday all hospitals in the Yorkshire, Northern and North Western regions, 80 per cent The unions say the 10.3 per

vould be observed. the Government's

The NPA said the threatened ing " newspaper newspaper advertisesympathy action would be ments on health workers' pay illegal as, following the 1980 had inflamed feelings. Employment Act. it was no longer covered by immunity.

On the action were disputed by the

the afternoon but closed in London 1; cents below Friday's London close, at \$1,7000. The renewed anxieties about the trend of U.S. interest rates frustrated for the time being

the Bank of England's cautious efforts to engineer another half-point cut in the clearing bank's base lending rates. London money-market rates responded to the strength of the dollar. The three-month

interbank rate was up is point. at 113 per cent. The Bank left its dealing rates unchanged after its series of small cuts earlier last week.

The London equity market responded to the generally chillier mood with an 8.4 point fall in the FT 30 share index. to a close of 540.4. There was also some selling of gilt edged Continued on Back Page

Inflation fears renewed, Page 6 Banks cut mortgage rates, Page 6

Moncy Markets, Page 24

# Rise in prices to industry slows

BY MAX WILKINSON

THE ANNUAL rate of increase of prices paid by industry for its supplies fell to 5 per cent last month, according to official igures issued yesterday. The index for the wholesale

price of materials and fuel bought by manufacturing industry rose by only 1 per cent between June and July to 244.7 (1975 = 100).This increase was due mainly to the higher sterling price of

crude oil which resulted from a

fall in the average value of the pound against the dollar during However, the annual rate of increase in the index in the 12 months to July was ? percentage point lower than in the 12 months to June, at 5 per cent. This low rate of increase of industry's input prices suggests that the annual rate of con-

sumer price inflation will con-

Government is now predicting

the rate will be down to 74 per

Business Adv. ..... 10, 11 Commodities ..... 21 Companies UK ... 14-16

cent by the end of the year.

Industry's input prices are increasing at a lower rate partly because of the continued weakness of international commodity prices. Figures from the Intertinue to fall. The retail price national Monetary Fund show index in June was 9.2 per cent that the average wholesale price up on a year before and the in dollars of commodities.

For latest Share Index phone 01-246 8026

below the average for the first three months of the year and per cent below the average for last year. Yesterday's figures from the

Department of Industry showed that the annual rate of increase of UK manufacturing industry's wholesale selling prices increased by 1 point between June and July to 81 per cent. Nearly half this increase was because of the effect of price increases for petroleum products recorded in June

The wholesale price index for manufactured products rose a point from June to July to 241.1 (1975=100). The index rose by 31 per cent in the six months to July.

£ in New York S 1.7045-7066 8 1.7160-7175 excluding oil, fell in June. It 3 month 0.05-0.05 pm 0.05-0.05 pm dropped to about 7 per cent 12 months 0.58-3.95 pm, 3.90-4.05 pm

Commercial law: damages for lost option to buy ship ...... 11 Editorial comment: Mexico; life Lombard: James Buchan on West German relations with Israel ..... 13 Technology: City of London Poly's super

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Martin Ford ..... 15 Highweld Steel . ... ANNUAL STATEMENTS

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Wattord St. Martins House, 31-35 Clarendon Road.

Tel. 0923 48823.

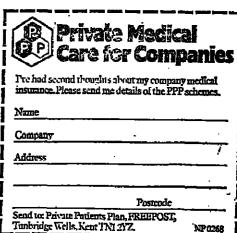
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# Italy tightens rules for foreign bank holding companies

BY RUPERT CORNWELL IN ROME

IN THE wake of the disastrous domestic credit restrictions. Ambrosiano affair, the Italian Foreign Trade Ministry yesterday announced a tougher set of rules governing the establishment and operation of foreign-based financial holding com-panies controlled by Italian con-

In essence, the decree will make it more difficult for such companies to be authorised by the Rome authorities, and compel much greater disclosure of information. Companies involved will have 90 days to comply with the regulations.

Quite deliberately, the Government has chosen to make its move while memories are fresh of the debacle of Ranco Ambrosiano Holding of Luxembourg, the key cog in the foreign operations which led to the liquidation of the Milan

parent bank last Friday. Its move brings to an end a 10-year period in which Italian companies have been virtually free to set up such holding companies in countries like Switzerland. The Netherlands and, greater than 50 per cent. above all, Luxembourg.

At the same time

cure abroad funds blocked by operations to be introduced.

But recent cases, observed the Ministry in a clear reference to Banco Ambrosiano, had proved that the device could be used to get round existing currency regulations, with conse-quences "against the national interest.

Italian companies with such foreign operations will now have to present to the Rome authorities detailed annual balance sheets, certified by qualified accountants, foreign holding companies. This rule will also apply to subsidiaries set up by the hold-

ing companies. The Foreign Trade Ministry will also have to be informed of how profits are used, and of any changes in the sharehold ing structure, where these involve Italian residents. The rules will also apply to so-called "mixed" purpose hold-ings, involved in manufacturing or commercial activities, where the Italian interest is

At the same time, any In its announcement, will have to notify to the foreign holding companies have foreign exchange office (UIC) any interest in a foreign holdthe steadily increasing "internationalisation" of the Italian per cent, thus enabling a com-economy, and the need to proputerised register of such

# Pertini begins talks on new government

ROME - Sig Sandro Pertini, the Italian President, began talks with political leaders yesterday on the formation of a new government to succeed Sig Giovanni Spadolini's five-party coalition which fell wast week.

The S5-year-old head of state, forced to return to Rome from a holiday retreat in the Alpine foothills, is anxious to avoid plunging the country into elections which could bring economic chaos.

Officials say the crucial first round of contacts would establish whether there was any chance of reviving Spadolini's centre-left coalition, which ruled for 13 months until Saturday as Italy's 41st post-war

Alternatively, he might look to the dominant Christian Democratic Party and ask Sig Arnaldo Forlani, a former Premier, or Sig Flaminio Piccoli, party president, to try office after fiscal measures to form a new administration. change in parliamentary voting in the Lower House.
rules to avoid a repeat of the The Socialists sudden government defeat on

August 4 that triggered the present crisis. Under the time-hallowed formula of Italian Government crises, Sr Pertini was consulting first with Sr Ginspope Saragat and Sr Giovanni Leone, both

former Presidents, then Speakers of the Senate and Lower House of Parliament, and finally with political party leaders. The initial contacts were

October or November.

polls to have gained popularity since they won 10 per cent of state. the voles in the last general During the weekend, both election in 1979, are held res-employers' and union organi-

government. Sr Bettino Craxi, the Socialist Party leader, withdrew the before its 1984 deadline. party's seven ministers from Reuter



Sandro Pertini

earlier agreed by the Cabinet

The Socialists Christian Democratic deputies who they said represented vested interests, of sniping at coalition solidarity. They com plained that Italy had become ungovernable.

Influential politicians from both the Right and the Left agree on the need to change a procedure whereby a small group of deputies in either house can demand secret votes. L'Avanti, the Socialist Party

newspaper, said it had become expected to show whether the an instrument to defend un-Christian Democrats and declared interests, while Sr Socialists, main partners in Sr Benlamino Andreatta, Christian Spadolini's coalition, were pre- Democratic Treasury Minister, pared to submerge their per- said the secret ballot should sonal and political feuds in a only be used in rare and delicate

new alliance.

If no compromise emerges, Sr
Pertini will have to dissolve parliament two years early and the central issue in a new call elections, probably in election campaign must be how to adjust the country's rusty The Socialists, said by opinion institutional structures to the demands of a modern industrial

During the weekend, both ponsible for bringing down the sations joined the majority of political parties which oppose the dissolution of parliament

# Gunmen kill

# six in Paris Jewish quarter

By David White in Paris

GUNMEN ran amok in the main Jewish quarter of Paris, yesterday killing sixe pcople apparently at random and injuring at least 22, nine of them seriously.

It was the bloddiest of a series of attacks against Jewish communities in Western Europe in the last four years. Feelings were running high

in the Rue des Rosier quarter, in the ancient heart of Paris. as trate residents threatened police and journalists, blaming the Press and television for blased coverage of the war in the Lebanon.

Conflicting accounts of the shooting emerged in yesterheated atmosphere. Most of the dead-three men and three women—appear to have been customers at Goldenberg's, a famous Jewish restaurant and delicat-

Three or four gunmen were reported to have entered the restaurant, taken automatic weapons out from under their clothing and started shooting around them.

Coming out, they then fired into the lunchtime crowd, aiming, in the words of one "at anything that witness, moved." The gunment escaped on

foot, before reportedly being packed up by a getaway car. A plain-clothes policeman was among the wounded, apparently hit by counterfire. A relative of the restaurant owner, M Jo Goldenherg, said there was " blood all over the place" Inside, although the windows remained infact. She said the restaurant had received a warning, but no notice was taken since this happened all the time.

The Rue des Rosiers area houses the most dense concentration of Jews of Paris, originating from Eastern Europe and North Africa. Police cordoned off streets after the shooting.

President Francois Mitter-rand asked to take part in a service for the victims at a nearbly synagogue last night. Expressions of indignation flowed in from political parties and other organisations, some of them openly criticising the Government over the mounting wave of terrorist attacks in the

M Jacques Cirac, mayor of Paris and principal French opposition figure. said the city had become the tilting-ground of every kind of

## Guinness plans redundancies

By Brendan Keenan in Dublin GUINNESS IRELAND bas won the approval of a majority of its workforce for a scheme to cut employment at its Dublin brewery by more than 40 per cent.

Under the scheme, 1,100 of the 2,500 employed at the famous St James's Gale brewery would lose their jobs. The terms, however, are considered generous, with a general worker aged 57 getting a lump sum of almost 1£15,000 (£11,500) and a pension equivalent to two-

thirds of salary. The terms persuaded the largest group of workers—the 1,500 members of the Federated Workers' Union of Ireland-to accept the deal by a comfortable majority in

Ireland Gainness expected to proceed with a If iom investment programme to modernise the brewery. However, the 400 craft workers at the brewery have so far refused to accept the company's offer and are still with negotiating

# BID TO REDUCE STATE SUBSIDIES

# Hungary brings in another price rise package

state subsidies, mop up surplus greater efforts. purchasing power, and restore economic equilibrium.

The prices of bread, flour and by 20 per cent; those of cocoa chocolate, oranges and lemons by 25 to 30 per cent and rail the newspaper admitted. and long-distance bus fares have been doubled.

The measures are seen as an important signal to Western banks and governments that the Hungarian leadership is determined to put the economy on self-supporting basis. In a lengthy editorial, the

-came into force in Hungary guarding of Hungary's financial year, and the harvest prospects rents, before the end of the yesterday in a bid to reduce reputation abroad demanded are said to be good. But at the year.

Though exports invoiced in convertible currencies jumped rice were raised on the average three years, the improvement during the first half of 1982 has fallen short of the expectations,

Preceding the announcement the latest batch of price increases, the newspaper emphasised that domestic balance between supply and demand was an essential condition for achieving a lasting surplus in trade on hard currency basis. Industrial output during

A PACKAGE of huge price party newspaper Mepsabadsag January-June was up by 2 per expected, probably involving an increases—the third this year warned the public that the safe- cent on the same period last upward revision of subsidised same time, enterprise invest. The Hungarian leadership has

> over have expanded. electricity and fuels, ranging cial intervention. from 14 to 25 per cent.

should be channelled into exports, or even gives a push to imports. Further price increases are

ments and private consumption clearly drawn its conclusions were rising in contrast to the from the lessons of the Polish planned target. Both savings and Romanian debt crises. It by 22 per cent during the last deposits and retail trade turn seeks to convince both the Western central banks and the The Hungarian Government major commercial banks that it this year has already announced will not deviate from its policy steep price increases for petrol, of cautious reforms and finan-

The population, though hit The party newspaper argued -hadly by the price increases, is that surplus purchasing power aware of the fact that its staneither uses capacities which dard of living is still superior to the rest of the East bloc and that belt tightening now could help avert a more serious situa-



Oil company

AN OSLO lawyer's unfiniter-

activities of foreign oil com-panies in Norway has stirred

controversy. Its most conten-

company harassment

• income tax evasion, through funds being channelled to the

under the guise of payment

o collusion with foreign con-

tracting companies to ignore

Norwegian tax and employee

important contracts are based

on an understanding between the oil companies and the

foreign contractor, which is

promised supplementary pay-

ments in respect of "design

ordered by the

foreign bids for so

claims

spark row

tious charges include:

companies

for services:

protection rules;

trade union organisers;

# Of bulls, Nato and pursuit of reconciliation

BY TOM BURNS, RECENTLY IN SANTANDER

establishment, however, re-groups from late July through to mid-September in the somewhat incongruous setting of an sity, the campus get-together ad hoc university.

The congruence setting of an has become something of an

the so-called International laxed atmosphere. University of Menendez Pelayo in Santander on the northern

Cantabrian coast. At one level there is cool academic activity. At another there is think-lank brainstorming. But the underlying feel of the Santander campus is that of a unique forum for the dedicated pursuit of what Spanlards call "reconciliation." This is shorthand for bringing lay organisation, Opus Dei. the two, or several, Spains The Magdalena Palace, set on

large English country house. That is what it should look like. It was built for Queen Ena, grand-daughter of Queen Vicloria and wife of Alfonso XIII, who allegedly pined for the Plas300m (£1.5m) to enable it architecture of the Isle of Wight to hold more courses and invite

MADRID, LIKE other southern after marriage in Madrid to the more people. It is a princely invited for the Nato seminar European capitals, closes down young Bourbon monarch. It sum by Spanish higher educa-for the summer. The capital's seems the ideal location for a tion standards—all the more so civilised exchange of views. According to Prof Angel Vinas, vice-rector of the univer-

The Spanish equivalents of indispensable complement to the City and Fleet Street, the Spain's transition out of Commons har, the London club and the Oxbridge high table are aims in its two-month proto be found at this time of year gramme to bring the problems swapping gossip and ideas at and personalities of contemhe Magdalena Palace, home of porary Spain together in a re-

The summer courses were started up 50 years ago during the Spanish Republic when the Magdalena Palace was used as a modest reading-party retreat by the progressive intellectuals of Madrid's Instituto de Ensenanza Libre. In the Franco years the practice was continued, but under the aegis of the Falange Party and conservative Catholic After Franco, the university

was thrown open, now everyone who matters from right to left a peniasula jutting out of across Spain's political and Santander Bay, looks like a social spectrum, gets a look in. Francoism's Ptas20m grant to the university was raised dramatically to Ptas200m three years ago and this year the has allocated government has allocated Plas300m (£1.5m) to enable it

since the Magdalena is not a university at all in the proper sense of the word. Prof Vinas readily admits it is "a political

an important rolt. A bewildering succession of courses bring together international scholars to discuss disciplines ranging from medieval Arab philology to nuclear physics. Concurrently, however, a wealth of lectures, seminars and workshops review such topics as the role of the military, the power the Press, regional imbalances, constitutional reform and the church and education.

There are also think-tank exchanges among experts. One brainstorming session this summer brought in senior administration officials to debate Spain's entry into Nato. Another has Treasury officials. politicians and economists examining post-Franco reforms of the taxation system. Another seminar is to study energy planning in depth.

Virtually the entire Spanish establishment appears to intermingle without trauma. crusty general who has been

sits down for breakfast with the firebrand feminist who runs the women's workshop debating abortion on demand. The trade union leader meets his bete noire, the theoretician from the employers' confederation, and the retiring professor, who is the expert on the route to Com-Strictly academic topics play postella, runs across the Culture Ministry advisor who can pro-vide the funds for pursuing his pet project on Romanesque

restoration. The fact that the palace can provide common shelter for different walks of life and even for opposing extremes is believed by Professor Vinas and others on the governing board to be the foremost merit of the

The university's grant has no visible strings attached to it. The governing board is free to invite who it wants to discuss what they want. Seemingly determined to boost its eclectic. melting-pot image, it has called in top matadors Antonio Ordonez and Rafael de Paula for a seminar this month on art and tauromachy. The late Queen Ena. who gamely sat through a bullfight on her wedding day, after must be turning in her

**Short-time for** 

Volkswagen, West Germany's

Volkewagen is to discuss with

worker representatives the

partial shut-down of car pro-

duction at two plants for two

weeks in September and

October. About half its 58;000

workforce at Wolfsburg and

more than half its 9,500 workers at Emden could be

Shipping lock go-ahead

Construction of what is believed

affected.

Volkswagen

The author of the memoran dum, Mr T. G. Borgen, worked for a foreign oil company— Phillips—in an executive capacity until a year ago. He was asked by the organisers of a State-backed

former.

research project—"Safety on the Shelf"—to record his thoughts about how State regulations for oil activities work in practice.

Mr Borgen emphasises that his work is not a deeplyresearched report into the state of affairs on Norway's shelf-simply a list of some problems

The memorandum comments on the oil companies' practice of wooing influential contacts—civil servants and politicians-with lavish meals. salmon fishing trips, and other luxuries. Most Norwegian officials and politicians have been discreet, and alert to the

Reactions to the 30-page documents have varied. The oil companies say it paints a false picture of the way they operate. Mr Borgen's former employer, Phillips Petroleum. says the allegations it contains are without foundation.

of Labour, and previously mayor of Stavanger, Norway's oil capital, has dismissed it as "full of unsubstantiated aliegations . . . not a serious piece of research." Trade union officials on the

dum simply confirms what they have been saying for years about foreign oil company attitudes. The chairman of Nopef, the oil workers' union affiliated to Norway's TUC, said this was "yet another argument in favour nationalising the oil

industry."

A conservative business

# Corsican autonomists share balance of power after poll

BY OUR PARIS STAFF

power in the island's assembly. per cent of the vote. Neither the parties belonging to France's ruling coalition nor the main Centre and Conservative opposition parties have established an automatic majority in the 61-seat body, set

Government's decentralisation

representation ballot — an including six for a breakaway to the new assembly.

means that its candidates and an by coming third, behind the equal number from smaller principal opposition alliance and parties hold the balance of the Communists, gaining 10.6

Five lists representing parties, lifferent factions of the between socialist-Communist coalition parties on the parties of the different Socialist-Communist control 22 seats between them, half of these belonging to the Left-Wing Radicals (MRG). The up after the first of the regional Socialist Party showed its weak-elections taking place under the ness on the island with a dis-

appointing tally of four seats. rogramme. The mainstream opposition The single-round proportional did better by taking 25 seats,

show of support for the Corsican autonomist party, the UPC, in its first election test on Sunday,

The UPC beat all predictions

centrist group. But it appears of a fall in sales, an official for to stand little chance of building the company said, Reuter rethis up into a working majority. ports from Wolfsburg. THE SURPRISINGLY strong innovation—resulted in as many centrist group. But it appears of a fall in sales, an official for autonomist party, which gained most of their votes

> at the expense of left-wing parties, have eight seats between them. Five other parties of different shades of opinion share the remaining six seats. The abstention rate of 31 per

cent in line with major national elections on the island and somewhat dispels the Govern ment's initial fears that Corsicans would be indifferent

## to be the world's biggest ship-ping lock is expected to start soon, following approval by the Belgian Government for an initial expenditure of BFr 1.3bn Stalemate in Albanian talks (about £15m) on the project, AP reports from Antwerp. The

West Germany and Albania on alternate embassies. restoring relations frozen since They gathered speed follow- German forces occupying the Second World War have ing a statement by Mr Enver Albania after the Italians sur-reached a stalemate over Hoxha, the Albanian President, last November that he saw no rendered in 1943. Tirana's demands for sub-insurmountable difficulties to re-stantial war reparations, accord-establishing relations between and West German officials, the ing to diplomats on both sides. his hermit-like country and talks failed to bridge the gap West German officials said Bonn.

contacts between the two sides. Addressing the Albanian last session took place in March, which began in Belgrade and Communist Party congress in later switched to Vienna, took Tirana, the 73-year-old leader place every three or four said he believed the two sides said.—Reuter

VIENNA-Secret talks between months between ambassadors at could agree on reparations for damage and deaths caused by

talks failed to bridge the gap between the two sides.

# Norwegian jobless up

lock is expected to be opera-

tional by 1986, at the northern entrance to the port of

Norway's unemployment rate rose to 2 per cent of total labour force last month, up from 1.5 per cent in July last

## biggest car maker, plans to introduce short-time working at its domestic car plants for the first time since 1975 because

dangers involved, it says.

Mr Arne Rettedal, Minister

other hand, say the memoran-

newspaper, the Oslo Journal of Commerce and Shipping, thinks Mr Borgen's ideas merit careful official studyparticularly the allegation that offshore contracts are sometimes steered to the oil

# The bouquet laid in the stillness of dawn symbolises Polish resistance

BY LESLIE COLITT IN WARSAW

citizen carefully lays a bouquet than either. It is a constant it now incorporates an "S" for of flowers in Victory Square and reminder to the authorities of the suspended Solidarity union. begins to recreate a 40 ft long where Polish sympathies lie. begins to recreate a 40 It long where rough, newly married to martial law was worn by cross of flowers removed dur-cross of flowers on the embittered young people at last visit the spot, add flowers, monument to the Soviet dead light candles and sing hymns of World War II. and patriotic songs. "Give us are back our fatherland free," they Polish military Government has sing, waving their fingers in the

air in V for Victory signs. The great floral cross in the centre of Warsaw marks the spot where the cuffin of Cardinal Stefan Wyszinski, the late Polish primate lay in state more than a year ago and where Pope John Paul II said mass in 1979. It has become the opposition's must powerful symbol of resistance to the military government under General Wojciech Jaruzelski.

Located halfway between the Tomb of the Unknown Soldier and the headquarters of Warsaw Milltary District, the

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. substription rates \$365.00 per ennum. Second Class postege paid at New York, N.Y., and at additional mailing

readily agreed to the Episcoplaced in the Square in the continued. hope the cross will then dissignificance of the cross's daily singing fervently while placing Poland "—Communist photos of Cardinal and Mr Lech since the war. Even the the base of the cross, he whis-

"This must be a protest." Another form of protest is internment of Mr Lech Walesa. wartime Poland's mark of along with the repression of resistance to the Nazis, which Solidarity, and by a severe hope— calls for militant action from

EARLY each morning a Warsaw cross attracts far more Poles suspended from the letter "P," Yet another sign of resistance

police. In the course of the cross, much as Moscow newly- Sunday's Solidarily ceremony day thousands of fellow Poles weds lay a bouquet at the marking the Katyn massacre of 4,000 Polish officers, which most Poles are convinced was perpetrated by the Soviets. The wore a badge resembling the Solidarity Insignia, except pate's wish to allow a com- with the initials CDN for memorative plaque to be ciag dalszy nastepi — to be

A censored Polish magazine appear. It took a Romanian carries the results of a survey tour guide to bring home the of university students showing that while they may be steeped resurrection. Mesmerised by in Polish battle lore they know the sight of hundreds of Poles virtually nothing of "People's since the war. Even the muzzled Walesa, Solidarity's leader, at Press is more frank than in most Communist countries. Polish workers remain

WARSAW - The number of pilgrims marching to the Polish shrine of Czestochona has swellen to 50,000 asthousands join the group along the route of the nineday walk, AP reports The pilgrims, carrying flags

and banners left Warsaw on

Friday in searing heat for the 173-mile walk to the southern

Polish city, site of the Jasna

Gora (Mountain of Light) The pilgrimage is to arrive on Saturday when the Roman Catholic Primate is expected to delivery a homily at ceremonies marking the 600th anniversary of the arrival in Poland of a portrait of Our

Lady, the Polish Church's

students who say Poles have nothing to lose? Compared with

them, even Mr Zbigniew

holiest icon.

frustrated by the continued radical young workers and like a moderate.

The Pope, former Cardinal of Krakow, had hoped to attend church ceremonies on August 26 marking the anniversary. The pilgrimage normally arrives in Czestochona on the 14th since both August 15 and 26 are holy days for Saint Mary. Among the marchers who set out on Friday were groups

from Italy, Hungary and The Roman Catholic dally Slowo Ponszechne reported an official total of 38,000 people registered for the pilgrimage, but about 30,000

to 32,000 started the march. The marchers arrive on the second anniversary of the Gdansk shipyard strikes that launched the independent union Solidarity

Other young men such as Mr memorating Solidarity's birth in Zbigniew Bujak, head of the Lenin Shipyard two years Solidarity in the Warsaw ago.

memorating Solidarity's birth in Solidarity organiser

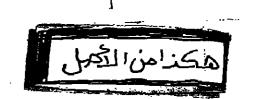
in the autumn, begins to look peaceful demonstrations to take when the security police will On this day Poles will flock to past.



Opposition members say the defeat in 1920 of the new Soviet resistance to the Nazis, which containly, and dy a severe ment and buildings throughout Government admits will worsen.

And the Romaszewski, an underground region, who has been hunted Much will depend on whether used with lethal effectiveness Government fears they could for contain the ready for carry, their fervour into the basember, will be ready for carry, their fervour into the contains and buildings throughout Government admits will worsen.

And the Romaszewski, an underground region, who has been hunted Much will depend on whether used with lethal effectiveness Government fears they could for contains the ready for carry, their fervour into the contains and buildings throughout Government admits will worsen. But will the workers follow has called for a general strike December 13, have called for can organise itself at a time all eventualities on August 15. streets as happened in months



# Pretoria to issue policy statement on police conduct

BY BERNARD SIMON IN JOHANNESBURG

THE South African Govern- The South African Rand ment will shortly issue a sank to an all-time low against "clear-cut" policy statement the U.S. dollar vesterdayon the treatment of security mainly as a result of the lower detainees, Mr Louis le Grange, gold price and the strong the Minister of Law and Order, said yesterday.

follows the public outery over during the day but recovered the death in determion over the slightly in the afternoon to weekend of Mr Ernest Dipale. close at a mid-rate of 87.84 According to the police, Mr cents. The currency has lost Dipale hanged himself with a over 35 per cent of its value blanket in his ceil at John against the dollar since its vorster Square, Johannesburg's recent peak of \$1.35 in January police headquarters.

statement would not be embodied in a law, nor would it be a formal code of conduct. It would set out the "way we will endeavour to handle all price in rand of about R400.
people whom we detain in Gold accounts for about 45 per terms of security legislation." cent of South Africa's mer-

The minister conceded the chandise export earnings. " absolutely in the deaths of custody over the past 20 years, others predicting Foreign Correspondents Asso- the end of the year. ciation, said his department's The predictions generally police methods were similar to depend on assumptions made of ciation, said his department's those used in many Western the future trend of the gold

trialise Thailand's eastern sea-

industrial investment would

account for more than two-

thirds of the amount, with the

variety of heavy industries plus

two deepwater ports to be located on a wedge of land

jutting into the Gulf of Thai-

An important aim of the pro-

tural development.

rest required for infrastruct for grown.

eastern seaboard

ambitious project to indus- and urban base.

dollar.

The rand touched a low in Mr le Grange's statement Johannesburg of 85.7 U.S. cents last year.

According to the Standard Mr le Grange said the policy Bank, the country's second largest banking group, the reserve banks appears to be moving the Rand exchange rate to maintain a constant gold price in rand of about R400.

Bankers disagree on the likely short-term direction of some security detainees, about the rand, with some forecasting 50 of whom have died in police a significant further drop and Mr le Grange, speaking at a stabilise at current levels lunch yesterday hosted by the before rising slowly towards

Central to these plans has

of energy for the project.

as development of the project

proceeded it would become an

increasingly powerful "magnet

between the Thai Government

and a Swedish consortium to build a fertiliser plant along the

eastern seabrard as part of the

larger project broke

But the early omens for this

Alexandria. Egyptian officials said that the future of the Ain Jallout force of the Palestine Liberation Army (PLA) is still not clear. The 400-strong group is part of the PLO's regular forces and was based in Suez until 1976, when it was scut to the Lebanon during the

Egypt's anger with Washington's policies in Lebanon and its steady support for Israel were indicated by Field Marshal Abu Ghazala, the Defence Minister, this week who hinted at a reduction in mili-

Egypt did not turn to the U.S. for help with her UN re-solution but asked the French instead. The Franco-Egyptian resolution affirms Israel's right to exist behind secure and recognised boundaries, and also affirms the Palestinians' right

# Cairo sees new role for PLO in Mideast

By Francis Matthew in Cairo

EGYPT HOPES to see a reshaping of Middle East diplomacy as a result of Israel's invasion of Lebanon, with an enhanced position for the Palestine Liberation Organisation.

During the long siege of Beruit the U.S. has been anxiously seeking countries willing to accept the PLO guerrillas once they leave Beirut. Egypt agreed to take some, but only if the U.S. gave a clear statement of support for a Pelestinian hamaland for a Palestinian homeland.

That position has now softened to a more general insistence on linking evacuation to a comprehensive tion to a comprehensive settlement. But it is unlikely that if a ship full of PLO guerrillas arrived in Alexandria they would be turned away even if the U.S. had not given the required statement.

Mr Kamal Hassan Ali, the foreign Minister, yesterday told the newspaper Mayo that Egypt would take "some" of the 6,000 guerrillas as part of a general settlement. Mr Butros Ghali, Foreign Affairs Minister, has mentioned the figure of 2,000.

Any PLO units in Egypt will not be allowed to carry out military activity, which would be forbidden under the peace treaty with Israel. They will initially be housed in a military camp near

civil war.

co-operation with the

self-determination "with all its implications

ject is to stem the growth of earlier this month. MITSUBISHI HEAVY INDUSTRIES,

Bangkok plans to develop

A PANEL of foreign and Thai overcrowded Bangkok by estab

consultants has forecast that an lishing an alternative industrial

board, south-east of Bangkok, been the discovery and develop-will cost 103bn baht (£2.5bn), ment of offshore natural gas,

the bulk of the funds coming which is seen as a major source

A study commissioned by the The report, which was Thai Government said that published last week, said that

report envisages a planned industrial base have of heavy industries plus not all been favourable. Talks

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Notice is hereby given pursuant to Section 3.02 of the Indenture the "Indenture" dated as of February 1. 1976 between Missubishi Heavy Industries. Ltd. the "Company" and Bankers Trust Company to holders of the above-mentioned Debenderes of the Pobentures" that the Company shall, on September 29, 1962, pursuant to Section 3.01(a) of the Indenture, redeem all of the Debentures outstanding on that date. The outstanding Debentures shall be redeemed at 102-5 per cent of their principal amount, together with accrued interest to September 29, 1982, upon presentation of the Debentures with all compons appertaining thereto maturing after September 29, 1982 at the corporate trust office of Bankers Trust Company in New York City, the principal offices of Bankers Trust Company in London. Paris and Milan, and the mann offices of Banque de Benelux S.A. in Brussels, of Deutsche Bank Aktiengesellschaft in Frankfurt am Main, of Swiss Bank Corporation in Basle, of Algemene Bank Nederland N.V. in Amsterdam and of Banque Generale du Luxembourg S.A. in Luxembourg, Interest will cease to accrue on the Debentures on and after September 29, 1982.

Holders of Debentures may continue to convert their Debentures into shares of Common Stock of the Company or into Common Stock of the Company evidenced by BDRs in accordance with provisions of the Indenture up to the close of business on September 29, 1982. However, notice is hereby given to holders of Debentures strut the Deposit Agreement pursuant to which the BDRs are issued will be terminated with effect from September 30, 1982. The conversion price in respect of the Debentures at the date of this notice is V154 per share of Common Stock.

Missubishi Heavy Industries, Ltd.

Mitsubishi Heavy Industries, Ltd. Dated: August 10, 1982

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Pursuant to Section 2.05 of the Deposit Agreement, holdertof Receipts may obtain delivery of the Stock (as defined in the Deposit Agreement) and any other Deposited Securities (as so defined) represented by their Receipts by surrendering such Receipts in securdance with the provisions of the Deposit Agreement, at the principal office of Bankers Trust Company, Bashwood House, 69 Old Broad Street, London ECCP 2EE, the corporate trust office of Bankers Trust Company in New York City, the principal offices of Bankers Trust Company in New York City, the principal offices of Bankers Trust Company in Paris and Miss., and the main offices of Bance de Banker St. in Brussels, of Deutsche Bank Aktiengesellechaft in Frankfurtam Missing Swim Bank Corporation in Basle, of Agreement Bank Nederland N. K. in Appagagiam and of Banque Generale du BANKERS TRUST COMPANY



# Sabah pins its 'space age' hopes on offshore gas

British businessman and adventurer Raja Sir James Brooke, the chief minister's home town. there were great hopes for the island's future as a coal port and trading post. It took 30 years for the British to abandon

their high hopes for the island. But now, more than a century later, and as part of the East Malaysian state of Sabah, there are once again grand plans for the development of Labuan.
As the home of Sabab's chief minister. Datuk Harris Saleh.

and as the nearest landfall for large gas fields off the Sabah coast, Labuan is to be the catalyst for industrial development in a state still thick with tropical jungle and inhabited by

state out of the Bronze Age and into the Space Age in just a couple of decades," says a prominent local politician.

Linked with major investments to bring natural gas onshore from the Erbwest and Samarang oil and gas fields more than 80 miles out to sea, a sponge iron plant and a metis-

a sponge iron plant and a metinanol and power project are already under construction.

These projects alone are likely to cost \$1bn (£584.8m).

Akready, Labuan has the

population has doubled to 35,000, with a further 10,000 military personnel at the nearby

army, air and naval bases. Local businessmen and politicians claim Labuan was a neglected ghost town until ments Raja Brooke would have Datuk Harris and his Berjaya been gratified to learn he was Party came to power in Sabah not completely mistaken about

WHEN in 1846 the Sultan of Brunei first ceded the north the island could never have Borneo island of Labuan to the hoped to attract such substantial

the chief minister's home town. However, Labuan has always had a distinctive and cosmopolitan air in a state still dominated by logging and the export of tropical hardwoods.

It has been a free port for a long time and, as such, is the home of a bustling \$10m a year barter trade between mainland China and the southern Philip-pine cities of Zamboanga and Holo.

Datuk Harris Saleh reacts sharply to suggestions that Labuan has boomed because of his personal influence and patronage.

forest tribespeople.

"Look at where the gas fields
are and tell me where else you
up here are going to lift our would have set up Sabah's new

These projects alone are likely to cost \$1bn (£584.8m).

Akready, Labuan has the air of a boom town, with housing oil and gas reserves likely to estates mushrooming in all directions and limousines clog-ging the narrow streets. The cal part to play in the state's modernisation plans. Whereas the cost of t modernisation plans. Whereas the prospect of coal over a century ago merely tantalised, natural gas has laid a foundation for solid growth. After all his frustrations and disappointthe potential of the island.

# India and Fiji in clash over political funds

BY DAI HAYWARD IN SUVA

Fiji have deteriorated to their lowest level for many years, following allegations by Fiji's Prime Minister, Ratu Sir Kamaisese Mara, that a former Indian High Commissioner had become involved in local

Indian and Fijian officials in
Suva both say the Indian Prime
Minister, Mrs Indira Gandhi,
may cancel her visit to the
Commonwealth Heads of
Commonwealth Suva

Sydney, Australia and Suva
had been involved in helping to
pass the money to the National
Federation Party.

The Indian Government has
denied the allegations, describ-Commonwealth Heads of denied the allegations, describ-Government meeting in Suva in ing them as "mischievious and the wilful." October because of

RELATIONS between India and allegations.

These include allegations by Ratu Mara that Fiji's opposition party received funds indirectly from the Soviet Union in last month's general

campaign. Ratu Mara alleged that the Indian High Commissions in Sydney, Australia, and in Suva

Tony Hawkins in Harare looks at Prime Minister Mugabe's battle with the courts

# Zimbabwe suffers a self-inflicted crisis

own making—the world recescertainly are self-inflicted.

The confrontation with the Judiciary over the continued released by the courts was surely avoidable. Yet, last week, the Attorney General told a High Court judge that, irrespec-tive of what the courts may decide, "the executive is not going to release them."

Diplomats, both from nonaligned and Western countries. have been urging caution on Mr Mugabe not just in the conflict with the courts but in the wider issue of deteriorating relations with Mr Joshua Nkomo's Zapu party. But, last week, the Prime

Minister adopted a harsh line against Mr Nkomo, whose supporters are blamed by the government for the outbreak of violence and robbery in Mata-beleland. Warning Parliament that the Government might be " extra-legal measures" Mr Mugabe added: We may demand two ears for one ear and two eyes for one

This statement was interpreted not just as a warning to Zapu that the Government's patience was close to exhaustion, but also as support for hardliners in Cabinet, including Dr Herbert Ushewokunze, the Home Affairs minister, who have come out against the courts for being unduly lement on persons accused of security

It is true that the Government has had some severe set-backs in the courts. The release of the York brothers (since rearrested) was closely followed impact not just on the tourist request and that, having import allocations taking the by a court judgment declaring trade, which is experiencing listened to Mr Nkomo, Mr total cut in the past year to the order detaining a Republic many cancellations, but also on Mugabe had told him what he more than 22 per cent.

THE PAST month has been one Front MP, Mr Wally Stuttaford, of the most difficult for Mr to have been illegal. Extra-Robert Mugabe, Zimbabwe's legal measures are already con-Prime Minister, since taking templated in the decision to office in April 1980. While some reintroduce emergency powers, as his problems are not as his problems are not as his problems. of his problems are not of his originally adopted by Mr Ian Smith's Government in the sion and the aftermath of the 1970s, precluding legal action severe 1981-82 drought—some against thet police, army and prison service.

At the heart of the legal crisis is the Governments's bedetention of two white farmers lief that its opponents are dewho have three times been termined to undermine it. The abduction of the six white tourists near Bulawayo a fortnight ago was the first overt sign that the 2,000 or so Ndebele dissidents—who pro-fess loyalty to Mr Joshua Nkomo—were politically in-spired. Hitherto, their conduct had been random criminal activities-mainly robbery with violence. But the ransom note at the time of the kidnaping. significantly signed forces" demanded political con-

> This was followed 48 hours later by the obviously well-planned and apparently successful sabotage attack on Thorn-hill aircraft base, in which at least five aircraft were destroyed and an unknown number severly damaged. The immediate assumption was to link the attack with Zipra but the very sophistication of the weapons used has fuelled speculation that it was the work of disgruntled whites.

cessions

With an estimated 1,500 troops and police searching for the kidnap gang in Western Zimbabwe, Mr Mugabe could have done without apparently totally unrelated gangster activity in the Inyanga tourist district far to the east. Three young Britons were murdered by unknown gunmen some time last month and in the past 10 days two white farmers have been killed by gangs.

These incidents are understandably having a major



white morale (in particular) and on the morale of that vitally important element in the white minority—the 5,700 commercial farmers, who produce 85 per cent of the country's marketed aericultural output.

The fact that at the annual Commercial Farmers Union congress last month, ministers spoke about the security position behind closed doors was reminiscent of wartime conditions. Not that anyone is suggesting that there has been year in 1981. so serious a deterioration. But, The halor clearly, it is a major disappointment after the radical change for the better in the security position last year.

Far more serious than the rar more serious than the manufacturing have open warn-banditry is the political coning that without state assistance frontation between the majority major layoffs might be neces-Zann-PF and Mr Nkomo's sary. To avoid this, Dr Bernard minority Zapu. The Ndebele Chidzero, the Finance Minister, leader has publicly disowned the provided aid of Z\$50m (£38m) insurgents and this week met to maintain output and employthe Prime Minister to discuss a common approach." While Mr Nkomo seemed pleased with the response, the Prime Minister's office issued a chilly statement noting that the meeting had being digested came the news of taken place at Mr Nkomo's a further 9 per cent reduction in

The meeting served to

from the Prime Minister himself who, this week, ruled out a one party state during the life of the present parliament which ends, at the latest, in February

Underpinning the bad political news has been a sharp deterioration in the economy. After two years of abnormal economic growth, when real outit increased by an average of 13.5 per cent a year, there has been a marked slowdown. Industrial output, which grew 10 per cent last year was flat in the first quarter of 1982. Mining and agricultural production will be materially lower than last

Exports fell nearly 10 per cent in the first quarter while imports were up more than 17 per cent. As a result the trade deficit for the first quarter was almost as large as in the entire

The balance of payments deficit, which rose more than 150 per cent last year, will grow by a further 25 per cent in 1982. Major employers in mining and manufacturing have been warn-

Business morale was boosted by what is widely regarded as a fiscally conservative and real-istic budget, but just as this was

The meeting served to just what the Government is dampen speculation that a ban thinking—be it in the political on Zapu and the arrest of its or economic field. Minutes beleadership might not be far fore Dr Chidzero introduced his away-speculation that owed pro-business budget, the Prime much to statements by minis- Minister was on his feet castiters, including one by Mr gating capitalism as an evil "if Mugabe himself who told his totally incompatible with Mugabe himself who told his supporters that Mr. Nkomo would be dealt with "strongly." an equal society." In the Further reassurance came from the Prime Minister him. of the white opposition, but his measures have come under fire from his own party.

> The business community is hoping that Mr Mugabe will keep his cool with Zapu and accept at face value Mr Nkomo's inability to control his young hotheads. At the same time. Zimbabwe needs a compromise solution to the looming conand the executive over human rights. If these two problems can be overcome, then the bad patch of recent weeks may turn out to be nothing more than just that-a spell of bad luck that afflicts any administration.

now lies in government is not clear. On the one hand, the militants are thirsting after a showdown with Zapu while the moderates, like Mr Mugabe, are looking to a one-party state after the next elections. On the other, the realism of economic pragmatists, like Dr Chidzero, contrasts starkly with the over-blown optimism of some ministers and the ideologues.

It is clear, however, that Zimuphill battle in convincing investors and bankers that its teething troubles are over. Dr Chidzero was talking in the budget of a detailed statement of investment procedures which he hoped would attract hitherto elusive foreign private capital. but it is going to take more than that to do the trick. The budget was on the right track and it would be a pity if it were to be derailed by political developments.



I understand that industry moving to Wales may qualify for a wide range of benefits, some of which are listed below. Please send me more information.

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- \* Venture capital.
- \*E.C.S.C. low interest loans.
- \*Building grants.
- \* Tax allowances against construction
- \* Financial aid for modernisation.
- \*Grants for plant and machinery.
- \*Tax allowances on new production equipment.
- \*New employment subsidies.
- \*Employee transfer grants.
- \*In-plant training grants.
- \*Recruitment assistance. \*Advance factories.
- \* Custom-built premises.
- \*Low cost rents.
- \*Fully serviced industrial sites.

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**WELSH DEVELOPMENT AGENCY** 

# U.S. tax cut plan too ambitious, Baldrige says

MALCOLM BALDRIGE, U.S. Commerce Secretary. again stepped out of line with the Reagan administration by suggesting that the \$350bn (£200bn) tax cut planned last year was too large.

sonal taxation, spread over three years, was regarded by President Ronald Reagan as one of the corporators of his The 25 per cent cut in perof the cornerstones of his economic policy—and he has since complained that Congress aid not allow him the full 30 per cent be had asked for.

Mr Baldrige, however, said at the week-end that mounting budget deficits, and the Administration's support for a \$100bn increase in indurect and business certainly implies that if we had to do this all over again we would have asked for less of

a tax decrease last year." The bill to increases taxes Congress was a "mid-term cor-rection" in Mr Post currently under consideration in rection" in Mr Reagan's economic policy. Mr Baldrige said. Mr Reagan has postponed a holiday at his California mountain-top ranch to lobby for the bill, in the face of a serious rebellion by Republican "supply side" economic conservatives,

who were once his closest allies. Last week Mr Baldrige be-came the first member of Mr Reagan's cabinet to go public with a prediction that the fiscal 1933 budget deficit would be \$20bn to \$30bn higher than the Administration's official midyear forecast of \$115bn.

would privately agree, put the deficit nearer the \$140bn to \$160bn predicted by the Congressional Budget Office and many private rates and further - economic

appears to be contesting the "supply side" contention that tax cuts promote economic ex-pansion and thus lower budget deficits. "Unfortunately there are not enough people in the financial markets who believe

Rather, he said, the markets believed that deficits had to be cut so that interest rates would come down. If the \$100bn tax increase went through, the tax reduction over three years would be \$250bn instead of the originally planned \$350bn, he

would submit that if we had started out with \$250bn, so that there was no change this year, there would have been the same joy and dancing in the streets, and the same laudatory statements from the supply-side economists. It's still the largest tax decrease in

history." he said. It should have been clear when Mr Reagan took office that a recession was on the way "no matter what he would have done," Mr Baldrige

added. The continuing slowdown in July was independently con-firmed in a survey by the National Association of Purchasing Managers, which reported that new orders continued to be weak and that there was no evidence recovery in the industrial

year forecast of \$115bn. sector.

His estimate, with which In Washington, Mr Robert many Administration officials Dole, Republican chairman of the Senate Finance Committee, said that unless Congress passed the tax bill, "unhigher interest welcome " paradysis could result.

# **UN** group on slavery meeting hears evidence

GENEVA-Five pesos (\$3.50) Whitaker, to take urgent action is the going rate for Haltians to free and help rehabilitate captured and sold to the sugar millions of slaves around the mills in neighbouring Dominican Republic, a UN group on slavery was told yesterday. The London-based Anti-Slavery Society - the world's oldest human rights organisation - said allegations of the

sale of Taitians were continutured and sold to a sugar mill. Five pesos was reportedly the price of captives last year in the border town of Padernales." the society sald in a report to the UN group, which began a week-long meetitng yesterday.

by one of its members, British an international convention to

BY PAUL BETTS IN NEW YORK

the fasi-growing and lucrative

U.S. pay television cable busi-

ness with a deal which would

give three of the country's leading motion picture com-

panies a direct equity in pay

The deal, expected to be angounced shortly, would give

Paramount Pictures, Universal

Studius and Warner Brothers a

25 per cent stake each in the

so-called pay television service

world.

He said age-old forms of slavery had been replaced by new forms of servitude and gross exploitation. Listing these as the sale of

women and children, forced marriage, prostitution, child labour, and debt bondage, he called on the UN to provide legal and educational advice for ending these practices and funds to help freed slaves. anti-slavery society's The

reports specially attacked India. Brazil, and the Dominican Republic.

Some 97 nations have signed human rights campaigner Ben eradicate all forms of slavery.

Hollywood bids for pay TV deal

in the pay television business

which is currently dominated by Home Box Office (HBO), the

access to new motion pictures,

would help Warner-Amex's
"Movie Channel" pay service
compete more aggressively
against HBO, which has 11m

In turn the deal, which would Company.

THE LARGE Hollywood studios venture between Warner Com- Movie Channel's 3m.

Inc conglomerate.

strengthen

are again trying to penetrate munications and American

# Reagan's federalism plan faces setback

By Anatole Kaletsky in Washington

U.S. State governors have dealt a possibly fatal blow to what President Ronald Reagan regards as his most important domestic policy initiative, the "new federal-ism" plan for shifting Government from federal to state level.
At its annual meeting in Afton, Oklahoma, over the weekend, the National weekend, the Governors' Association decided to submit its own plan fer federalism directly to Congress, sidestepping the President's plan, which has been judged unacceptable because it would allow the

federal government to dis-own much of its present responsibility for assisting the The governors' executive committee, which has been locked in negotiations with the White House for six months since President Reagan unveiled his plan, voted unanimously to draw up its own proposals after expressing intense frustration

with the attitudes Administration officials. Mr David Stockman, the White House Budget director. came in for particular criticism from governors of both

One governor sald Mr Stockman had "tunnel vision" about exploiting the federal-ism initiative to shift the costs of government on to the

The governors' chairman, Richard Snelling of Vermont, said there was little chance of Reagan Administration and the states because of the Administration's refusal to accept that the maintenance of "decent" minimum standards for health and incomes

was a federal responsibility. State leaders from even the traditionally conservative parts of the country bave opposed President Reagan's attempt to dispense with all federal standards of income-

maintenance for the poor. Although they may support the President's anti-welfare stance ideologically, they are concerned about any reform that would cut the flow of federal money to their states. The governors were also

warned that they could face enormous new costs if a con-stitutional amendment requiring the Federal government to balance its budget was passed. Mr James Jones, chairman

of the House of Representatives budget committee, said that the amendment, which was approved last week by the Senate, could be through the house though the majority of House members recognise the hypocrisy and folly of the pro-

This is the second time in

two years that major studios

involved a pay television net-work called Premiere, involv-ing Paramount, Universal, Twentieth Century Fox, Colum-

bia Pictures and the Getty Oil

The U.S. Justice Department

blocked the venture on the

grounds that it would be un-

competitive, since the network

would have exclusive film rights i

Express. two years that major studios
The three studios would thus have sought a direct interest in

be able to participate directly pay television. The first attempt

# ECGD likely to back Tokyo loan

he largest single yen-denominated loan ever extended to an overseas borrower by Japanese

An additional Y60bn-worth if Davy McKee is successful in Lazards Brothers, the British other all Japanese bidder.

Guarantee Department is Davy McKee is the leader of expected to guarantee a Y60bn one of several international (£136m) loan extended by a consortiums seeking to win a

substantial amount of equip-ment procurement may be placed in Japan. Japanese members of the consortium are likely to include Kobe Steel

successful in winning agree-

intense. Apart from the Davy McKee-C. Itoh group, there is Japan, and the Bank of Tokyo expected to be at least one —are vying to lead the Lazards

This has raised the possibility governments offering the Philip

was bids backed by officially guaranteed Yen export credits to finance possible in May, when the two governments reached an agreement. The Japanese authorities have a similar atrangement in the works with the U.S. The steel in the works with the U.S. The steel in the rest of cluding Janeau and the works with the U.S. The steel in the rest of cluding Janeau and the works with the U.S. The steel in the rest of cluding Janeau and the works with the U.S. The steel in the rest of cluding Janeau and the works with the U.S. The steel in the rest of cluding Janeau and the phility soft "credits to bolste two bids backed by officially guaranteed Yen export financing the Phility soft "credits to bolste two bids backed by officially guaranteed Yen export financing the Phility soft "credits to bolste two bids backed by officially guaranteed Yen export financing the Phility soft "credits to bolste two bids backed by officially guaranteed Yen export financing the Phility soft "credits to bolste two bids backed by officially guaranteed Yen export financing the Phility soft "credits to bolste two bids backed by officially guaranteed Yen export financing the Phility soft "credits to bolste two bids backed by officially guaranteed Yen export financing the phility soft "credits to bolste two bids backed by officially guaranteed Yen export financing the phility soft "credits to bolste two bids backed by officially guaranteed Yen export financing the phility soft "credits to bolste two bids backed by officially guaranteed Yen export financing the phility soft "credits to bolste two bids backed by officially guaranteed Yen export financing the phility soft "credits to bolste two bids backed by officially guaranteed Yen export financing the phility soft "credits to bolste two bids backed by officially guaranteed Yen export financing the phility soft "credits to bolste two bids backed by officially guaranteed Yen export financing the phility soft "credits to bolste two bids backed by officially guaranteed Yen export financing the phili At least four big Japanese banks — Dia-ichi Kangyo, the Long-term Credit Bank of Japan, the Industrial Bank of

JAKARTA — Indonesia has concluded one of its first counter-trade barter agreements, worth \$127.6m (£74m). with 10 foreign fertiliser suppliers, the Indonesian affinistry of Trade said.

The 10 companies, who fendered for 977,000 tomes of fertiliser, received their letters of award this month. Indonesia's controversial Indonesia's controversial counter-trade policy introduced last January, stipulates that suppliers on Government contracts must import Indonesian non-oil and gas products to the equivalent value of the materials they bring into Indonesia. Concern over Saudi move on LPG prices

bring into Indonesia.

The 10 companies complying with the regulations on the fertiliser contract were named as Danubania of Romanis: Fred Leker and Co of West Germany; Kuok International of Singapore; three U.S. companies, International Company, Amitrax Corporation, and Sagita International; Kali Berghau GDR; Hartindo of Singapore; Japan's of Singapore; Japan's Mitsubishi Corporation, and Woodward Dickerson of

Indonesia

concludes

£74m barter

JAKARTA - Indonesia has

controversial

agreement

# NZ, Indian deals for Elkem

By Fay Gjester in Oslo

THE ENGINEERING division of Elkem, the Norwegian metal smelting and chemicals group, has won two contracts with India and New Zea-

The deal with New Zealand covers the supply to New Zealand Steel Development of two pig-iron furnaces, with a combined output capacity of

725,000 tonnes a year.

The sale to India, worth nearly NKr 140m; is the largest Elkem has concluded with that country's smelting industry. A plant able to produce 50,000 tonnes of chrome yearly will be delivered to Indian Metals and Ferro-

# BRITAIN'S Export Credits winning the bid. , Guarantee Department is Davy McKee is the leader of merchant bank, has been

consortium of Japanese banks as part of the financial package integrated steel plant for the accompanying a bid by Davy National Steel Corporation of the Philippines. The entire

BY RICHARD JOHNS

for Liquefied Petroleum Gas-

propane and butane-are con-

cerned about the clear notice given last week of the govern-

ment's intention to tie prices

in future to Arabian light crude on a thermal basis.

Clarification will be sought by the four U.S. major oil com-

panies with a stake in Saudi

Arabia Exxon, Socal, Texaco and Mobil, when their repre-

sentatives meet Dr Abdulhardy

Taher. Governor of Petromin, the state oil corporation, in

The current Saudi price is

\$225 a ton for propane and

\$255 for butane, giving an

average in the usual contract

sales package of about \$240 -

New York today.

the Philippines.

Apart from being the first around Y270bm.

ECGD guaranteed yen loan, the proposed credit would also be Davy McKee is successful a

of financing could be extended and the general trading com-to cover phases two and three pany C. Itoh and Co. of the Philippines steel contract To make the bid possible,

BTU thermal parity. Putting it on an equivalent basis with

Arabia Light would give a new price of up to \$282 a ton. There was sufficient ambi-

guity in the message sent on August 5, which does not refer specifically to "full" parity,

to suggest that the indexation might be open to debate and

Any precedent would be an important one. Saudi Arabia is

not only the dominant expor-

ter of LPG but any new pricing formula enforced by it

would be followed by Knwait,

the United Arab Emirates and

Objections to linkage are

discussion, however.

Competition for the Philip-pine steel project appears to be

more widely than for any other fuel in the short-term and its price has, as a result, been 100 per cent of BTU equivalent of the posted price of Arabian

relatively volatile compared with crude oil. Last year witnessed a large drop in the Light."
The four companies are also auxious about the fact that price of LPG.
The Saudi move was not Petromin wants to assume the power under proposed changes to contract terms to cut unexpected. It was known to be under serious consideration by deliveries by cancelling phase the special committee set up by Petromin a year ago under out clauses Petromin's message calls for

Mr Abdul-Aziz Turki. Deputy Minister of Oil, to consider the question of the pricing of LPG. customers to say how much LPG they will require and over what period—with a maximum The telex sent to customers duration of contracts of 10 by Dr Taher also implies that years rather than the present Petromin may charge more than 45 years.

the equivalent on a thermal The implication is that the basis of Arabian Light for LPG. price linkage to Arabian Light It says that customers will crude on a thermal basis would based largely on the fact that have the right to decrease come into force from the begindemand for LPG fluctuates far quantities if the price is ning of next year.

## Rise in coal demand seen Swedish car sales revive

BY SUE CAMERON, CHEMICALS CORRESPONDENT

SAUDI ARABIA'S customers about 85 per cent in terms of

Oatar.

to forecasts in a report by Sheppards and Chase, a Cityhased firm of stockbrokers and analysts.

The report says new coalfired power stations are now of surplus being built while oil-fired Poland. B

WORLD 'DEMAND for steam stations are being converted to coal will increase over the next coal. This will ensure "further few years as more and more increases in demand in the electricity is generated in coal-medium term," although total fired power stations, according world demand for steam coal in 1982 is predicted to stay at 1981 levels.

Sheppards and Chase says world steam coal prices are currently being held down because supplies from

BY WILLIAM DULLFORCE IN STOCKHOLM

CAR SALES in Sweden are plied 40 per cent of the new recovering after two years of cars sold. The Volvo 200 sharp decline. In the first models are at the top with seven months of this year 25.374 registrations while Saab 131,236 new cars were regis-sold 11.766 of its 900 range. The tered, 13.6 per cent more than smaller Volvo 300S, built in the in the corresponding period of Netherlands, took third place. in the corresponding to figures re-1981, according to figures re-leased by the Car Industry for which Saab-Scania acts as

The field is led by the domes- agent, remained the third tice manufacturers, Volvo and largest supplier to the Swedish Saab, who between them supmarket with 12.38 per cent.

# Canada reopens debate on U.S. trade links BY RICHARD MACKIE IN TORONTO

decision to seek participation in difficult to break these ties.
the consortium developing the Even when Capadians to Airbus A320 aircraft has reopened the debate over whether Canada shoul shift imuch of its trade from the U.S. to Europe and has resurrected regional antagonisms over the placing of aerospace industry contracts in Canada.

It has also contributed to the controversy over whether Air Canada, a state-owned corporation wheh is Canada's major airline, should be allowed to operate as a private company or should be used as an instrument of government policy.

The option of shipping a

substantial portion of Canada's trade from the U.S. to Europe was vocally promoted by M Pierre Trudeau early in his 14year career as Prime Minister. He argued that Canada could not have independent cultural policies or its own foreign affairs stance while so much of its economy was tied to the U.S. This has been a major argument behind such policies as embodied in the Foreign Investment Review Act and the National Energy Programme, which are designed to discourage foreign — especially U.S.—ownership of industry in general and of petroleum companies in particular.

However, most of Canada's historic trade ties are with the

THE CANADIAN Government's similarity of its people make it Even when Capadians take

over companies formerly owned by Americans, they often end up trading with the U.S. As a result, about 70 per cent of Canada's trade remains with the U.S.—a slight increase since M Trudeau became Prime

The Government sees participation in the European Airbus consortium as a way to try to loosen these ties.

aerospace industry which last year employed 42,000 workers and had exports of C\$3bn (£1.3bn). Much of this was under sub-contracts from U.S. aerospace companies such as Boeing of Seattle, which is expected to develop a competitor for the A320 and which has been discussing Canadian participation in its new aircraft. Mr Pierre de Barre, the Canadian Minister of State for Foreign Affairs, argues that the

Airbus project would be advan-tageous for Canada because it would come off the assembly line sooner and because it would give Canada participation in what he claims is "one of the greatest success stories in marketing in recent years."

lies in building commuter air-Canada has a sophisticated

company to diversify its base. The Liberal Party's Quebec caucus enthusiastically supports participation in Airbus because Quebec has been promised a \$500m aircraft plant and up to 2,000 aerospace jobs if the project goes ahead. However, English - speaking western Canada, particularly the Winnipeg area, is angry at what it sees as another example of the Liberal Government transfer-ring jobs from it to French

Winnipeg has traditionally been a major aerospace centre. although in the past the Federal Government has transferred plants such as maintenance centres from there to Montreal. It would also help a state- There are still several plants in which corporation. Toronto- Winnipeg. including two

The Airbus A320: centre of debate representative in the talks with people have been laid off, reduc-Airbus. De Havilland's strength ing the workforce to 325. Job creation is a major poli-

craft, but Mr John Sandford, its tical issue in Canada and the president, says an agreement Liberal Party, which has only with Airbus would allow the two members of parliament. from western Canada, has little to lose by shifting jobs to But the Liberal Party could still lose politically if it were seen to be interfering with the operations of Air Canada. The airline has a record for safety

and efficiency which has earned it a high level of public trust.
In the 1950s, it bought two
British makes, the Vickers
Viscount and the Vanguard.
Since then it has bought all its aircraft from U.S. companies including Boeing, McDonnell-Douglas, which has a plant in Toronto, and Lockheed, which also has operations in Canada. In total, Air Canada has bought 46 Boeing aircraft. ordered a dozen new 787s and has options for 18 more. However, most of Canada's owned corporation. Toronto- Winnipeg, including two has options for 18 more, historic trade ties are with the based de Havilland Aircraft of operated by Boeing, where over Canada's second largest airline, U.S. Its proximity and the Canada, which is the Canadian the past eight months, 250 CP Air, a unit of Canadian

Pacific of Montreal, has acquired 30 Boeing aircraft. Other Boeing customers include most of the larger airlines in Canada.

Only Wardair International of Edmonton, Canada's largest airline, which has bought aircraft from Boeing, has placed orders with Airbus. Last year, it contracted for six A 310s but it has the deliveries.

The more cynical among the Canadian public see the Government's action in opening discussions with Airbus as an easy, inexpensive way briefly to deflect criticism over its handling of the economy. This cynicism will last until the Government signs an agreement which commits it to spend money on the project rather

than merely engage in talks. Boeing says it does not see an urgent need to develop a new 150-seat airliner because of a surfeit of current orders and options. The market is soft because of airlines' economic

problems, it argues. Mr Tom Bacher, director of Boeing's international business, of the current situation we don't foresee a demand for 150seaters as soon as Airbus does. The time frame for this (type of) aircraft involves no great pressure to initiate a pro-gramme this year."

"Movie Channel" owned by against HBO, which has 11m would have exclus Warner-Amex, the joint cable subscribers compared to the with the studios. Anatole Kaletsky in Washington assesses Mr. Martin Feldstein's likely impact on the U.S. economics team

# Reaganomics recruits a heavyweight with a reputation to risk

THE REAGAN Administration at last has an economist who will be able to risk his reputation in defending Reaganomics. Mr Martin Feldstein, the Harvard University professor whom President Reagan nominated on Friday to be chairman of his Council of Economic Advisers, will be the first economist who has any substantial academic reputation to risk to associate himself with

the Reaganomics experiment. As one of Mr Feldstein's Harvard colleagues put it over the weekend: "This appointment brings into the Administration a much higher level of capability than they have had so far. He is a vastly more talented person than any economist they've had."

To understand the possible significance of Mr Feldstein's appointment, it must be appre-ciated how low the Reagan Administration economics has sunk in the academic com-munity's estimation. The munity's estimation. The Reagan economic advisers so narrow specialists in fields with limited relevance to the broad macroeconomic crises which the Administration has faced, or their previous academic work that only other economists who calculated the control of their previous academic work that only other economists who calculated their previous academic work that only other economists who calculated their previous academic work that only other economists who calculated their previous academic work that only other economists who calculated their previous academic work that only other economists who calculated their previous academic work that only other economists who calculated their previous academic work that only other economists who calculated their previous academic work the chairmanship of Mr Walter the chairmanship of shared their preconceptions stein will have to live with the

Although freely admits to being a con-servative and has provided some reduction in taxes and social spending, he is fully accepted by the mainstream of American economists as an honoured member of their fraternity. Indeed this point has apparently been high in the minds of President Reagan's

'It must be appreciated how low the Reagan Administration's economics has sunk in academics' esteem'

political advisers in choosing Mr Feldstein. White House officialst have said they concluded that the President was badly served by a collection of feuding "theoreticians" with

Feldstein servatives in the White House ng a con-who are concerned about the rided some high reputation he earned as a of the most consistent empirical moderate Keynesian economist and theoretical justification for during his four years at Oxford in the 1960s and in his early days at Harvard.

The fascinating question about Mr Feldstein's appointment is whether he will content himself with a role as apologist and occasional scapegoat for Reaganomics in its present form, or whether he will press for a bigger share in the formulation of economic policy than that enjoyed by Mr Murray Weidenbaum, his prede-

Although the chairman of the CEA is technically the chief economic adviser to the President and the Cabinet, the real power of the office depends entirely on the balance of personalities within the Adminis-

tration.

Established in 1946 "to help the President formulate a national economic policy that will provide maximum employ-



President Reagan . . . Feld-stein would complement his more ideological judgments

some of the most distinguished Keynesian economists in the U.S., including two Nobel laureates. Professors Samuelson and James Tobin. The membership of the CEA The third American Keynesian took their researches seriously. suspicion of some hardline con- in the 1960s was a roll-call of who has won a Nobel prize, Pro-



more talented than any economist they've had"

fessor Lawrence Klein, was a member of the CEA during the Carter Administration. But as the number of professional economists working in other

next July and the future of the security complement perfectly chance to secure real influence social security pension system. The more ideological judgments may arise. parts of the Government has grown over the past 15 years,

the Council's natural influence has tended to diminish.

Only powerful chairmen, like messarch has been on the debilither will be no action against tating effect of business taxes social security before the Consumerstation and Mr Charles Schultze in the Carter period, emerged to become their Administration's principal economic policy makers and spokesmen.

Most of Mr Feldstein's recent of President Reagan. While research has been on the debilither will be no action against tating effect of business taxes social security before the Consumers to be presented to the new Conservation of the many turn out to be presented to the new Congressional gress in January, is, widely expected to address this sive tax reform, with emphasis politically explosive question.

In January Mr Foldstein's recent of President Reagan. While Mr Weidenbaum was officially taxes, possibly as a substitute part of a "troika" of economic for some of the personal tax officials who talked directly to reductions planned at present.

the President on a regular basis But the troika's two other mem-bers, Mr. Donald Regan, the bers, Mr. Donaid Regan, the treasury, secretary, and Mr. David Stockman, the budget director, were unmistakably the senior partners. Although the CEA chairman attends more Cabinet meetings, he is not a member of the Cabinet. The hudget director's job, which had a similar status in newione. similar status in previous administrations, was raised to full Cabinet rank by President Reagan and this has further tended to reduce the importance

If Mr Feldstein, who has not been offered full Cabinet mem-bership, does manage to put his imprint on Reaganomics, his past work points to two of the deepest causes of the decline most controversial areas of in private investment and proeconomic policy that may be ductivity in the U.S. economy.
affected — the 10 per cent Mr Feidstein's theoretical personal tax cut announced for views on restraining social

of the CEA.

'The fascinating question is whether Mr Feldstein will content himself with a role as apologist and occasional scapegoat?

He may be even more eager to curb the growth of social security. He has long maintained that the extension of

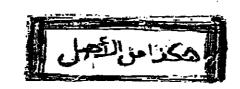
In January, Mr Feldstein said

that during 1981, a bold new economic policy had been put into place that could substantially improve the performance of the American economy in the 1980s and beyond. It was important, he said to judge the Administration's economic programme by its

long-term consequences and not

by its failure to live up to the naive short-term forecasts implied by the extreme supply side theory. security. He has long maintained that the extension of
government pensions, particularly to the middle classes, has
undermined society's biggest
incentive for personal savings.
This he regards as one of the
deepest causes of the decline
in private investment and productivity in the U.S. economy.

Mr Feldstein's theoretical
views on restraining social
security complement perfectly
security complement perfectly
security complement perfectly In commenting on Mr Weiden



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# New product plan by group in De Lorean bid

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE British consortium which hopes to acquire the De Lorean Motor factory in Belfast from the receivers would introduce a new product to be made alongside the sports cars, Sir Kenneth Cork, one of the joint receivers, said yesterday.

The three-strong consortium has been in urgent talks with a merchant bank about the new product, which would be less susceptible to seasonal demand fluctuations as the cars, he

Sir Kenneth spoke at Heathrow before travelling to New York with his partner Mr Paul Shewell for discussions with Mr

John De Lorean. He refused to name the partners in the consortium and gave no details about the new product, which he said would need separate tooling.

"At the outset the workforce would be fairly small. But I would expect it to build up to about 1,500 after two years.' The receivers were expected to tell Mr De Lorean last night that his proposed rescue must remain in the background while

the British consortium was still in the running. be on a reduced scale and they Sir Kenneth said in London: have made changes to reflect "Mr De Lorean now says he that. But the jobs of 3,000 has the finance and I want to see the evidence. I estimate he needs about £15m for the

Most of the 3,000 De Lorean cars which were in stock in the U.S. when the company went into receivership had been sold. " so production could start again

soon if the finance is there."

There was a good chance of success if the money was found and if the British consortium could arrange production of the

new product.

Meanwhile, Mr John Putt. co-chairman of the Do Lorean Suppliers' Consortium, which epresents about 200 companies, said a solution for the com-pany's future was still needed

urgently.
"The Government should realise that a lot of people's livelihoods are at stake."

At least four mainland companies had gone into receivership because of De Lorean's problems. Many others were awaiting the outcome of the receivers' efforts,

Mr Putt said the De Lorean collapse six months ago put about 6,000 jobs at risk in the UK supplier companies.

"Suppliers realise that if production starts again it will be on a reduced scale and they people must still be at risk. The Suppliers Consortium still believes there can be a viable between £4m and £5m for the otherwise the receivers would sales organisation in the States."

future for De Lorean Motor-otherwise the receivers would not be making such efforts to not be making such efforts to keep it going."

# Irish to help victims of **IRA** bombings in London

BY BRENDAN KEENAN, DUBLIN CORRESPONDENT

The Royal Dublin Society is noted for borses and for members happy to wear the society's badge incorporating the English crown. It is therefore in a better position than most to make a gesture in the wake of the Irish Republican Army bombings in London.

The society announced at the Dublin Horse Show last week that the Blues and Royals had accepted its offer to replace the horses killed in the Hyde Park bombing. It also set up a fund for the victims' widows and other dependants.

Yesterday the society said a substantial sum had been paid. It had also received many inquiries about the fund from all parts of Ireland. How much had been raised was not revealed.

The society may not be typically Irish, in style or membership, but the response to the fund suggests a deeper than usual unease in Ireland about the London bombings.

The society's appeal follows a decision by restaurateurs in the resort of Kinsale, Co Cork, to display notices ex-pressing regret over the bombings. What seems to worry many

Irish people is that the bombings, so soon after the row over the Falklands sanctions, may poison relations not just between the governments but between the peoples of the Correspondents in Irish

newspapers suggest a signifi-Charles Haughey's stance on the Falklands crisis did not take account of the impact on relations with Britain and the effect on tourism and trade.

Even those who support his stance agree there are few substantive differences between the two governments. The society's initiative may help to lessen the emotion which threaten Anglo-Irish

# Ireland expels RUC men

BY BRENDAN KEENAN IN DUBLIN

lodge a protest over an incident pending further investigations. south of the border involving four members of the Royal policemen

THE IRISH authorities may officers had been suspended

The RUC men were escorted hack to Northern Ireland by Irish police even though, by carrying weapons, they were breaking Irish law. Sources in said all four were Dublin

The incident is viewed with considerable concern by officials in Dublin, especially in view of the current delicate state of The RUC in Belfast said four Anglo-Irish relations.

Receivers to close 42

**Eastern Carpets stores** company said all but five of the

stores would be closed. Receivers were called in last week at the request of the Eastern directors, after the company ran up losses of £11m. Mr Anthony Houghton, one of the joint receivers from chartered accountants, Touche Ross, said yesterday that all stores would stop trading for a few days. It was hoped they

would reopen towards the end

of the week for an unspecified

period before closure of 42 Mr Houghton said 80 of the company's 180 employees would be made redundant, but most of the staff at its headquarters in Watford would be retained.

for the time being. The stores to stay open are Colchester. Portsmouth, hard over the last two years.

EASTERN CARPETS stopped Ruislip, Edmonton and Falkirk.

Three people have approached yesterday as receivers for the the receivers to buy the reduced-size business. Mr Houghton said it was too

> approaches from potential buyers would bear fruit. Eastern Carpets was set up about 20 years ago, and its Watford operation, from where it supplies retail customers. trades under the name of

early to say whether the

Anthony Stuart. Mr Houghton said that people who had paid deposits for carpets would lose their money unless the carpet had already heen wrapped and was ready

for despatch. Mr Aubrey Miller, company chairman, said last week the made profits company between £100,000 and £200,000 a few years ago. Higher costs and a fall in trade had hit them

# BL workers vote on leave

factories are to vote in the next the arrangements as they are. few weeks on three options for

They are: to defer for one two-week summer holiday. break, which fails in the last two weeks of July; defer it for one week, ad a week from the Christmas break and thus have was put back one week.

EMPLOYEES AT BL's 34 car three weeks' holiday; or leave BL and local authorities recently met in Oxford to discuss the overlap of the schools summer term and the summer

The meeting decided that education and industry would best be served if the holiday

# County Council Labour leader warns of social security breakdown

Arthur Smith reports on the decline of an area not used to long-term unemployment

THE West Midlands may not be created by the dramatic decline therefore, on the poverty line Health and Social Security just according to the Government's cannot cope. Efficiency is going ment and poverty on the present scale, Mr Gordon Morgan, the Ireland, the Midlands has no county council's Labour leader experience of long-term has told the Government.

In a letter to Mr Norman Social Services to prevent "the social security absenteeism and greater turnsystem's slide down the slippery over. Officers faced a backlog of slope to a total breakdown."

· He argues that staffing levels

Unlike Scotland and Northern

unemployment and poverty, he Pressure of work in local social security offices was lead-Secretary, he called for action ing to lower staff morale, higher

> work resulting in hardships for those in need of henefit. Research by the county

failure to understand the system, were not taking up their entitlements.

The local authority maintains that when families and dependants are added to the 380,000. the total represents a considerable proportion of the country's population of 2.6m. Mr Les Collins, the West Mid-

lands officer of the National in social security offices are council suggested nearly 280.000 Bureaus, says: "There is an people were drawing supplements absolutely appalling benefits massive increase in workload mentary benefit and were, problem. The Department of

definition. At least another down dramatically. It is a con 100,000, either through pride or sequence of being flooded out." The association, with 50

offices in the region, 1,000 volunteers and up to 150 paid staff, had been swamped by the sudden rise in problems connected with benefits, financial the social scale. "There are difficulties and bad debt. Five pockets of mass unemployment years ago such issues formed a minor part of the workload.

to debt. Our Wolverhampton office alone is likely to deal this vear with £1m of complicated debts," Mr Collins said.

the West' Midlands, he said. "This has always been a region of high employment and high earnings. People here take pride in self-help and their independence. They are reluc-

tant to claim benefits."

Recession had spread through even in the plushest parts of Birmingham." Mr Collins said. gage.

been dramatic over the past two and a half years. the shock is traumatic. There is are only scratching the surface."

West Midlands: **REGION IN** RECESSION

no earnings-related benefit now. The thought of having to claim for supplementary benefit is horrific. The scaling down of expectations is more dramatic for the man with the big house

"There has been a massive in the rise in the number of increase in problems relating unemployed executives had to debt. Our Wolverhampton been dramatic over the past two of the people of the West Midlands: "It will get worse over For the high paid executive the next two years. So far we

and car, high rates and a mort-

# Rescued company wins £2m order

WILKINS and Mitchell, the West Midlands power press makers, vesterday announced its first major order since being rescued from the receiver by a U.S. company last month.

The Darlaston-based company will make three 400 ton presses for South Africa as part of a £1.1m order won by the parent company Verson Alisteel Press, based in Chicago.

The order is worth about £500,000 to the British company while the rest of the work will go to Verson's Belgian plant at Charleroi.

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New Slough Motor Co. Limited 134 Bath Road (0753) 37234

Verson bought the assets when the company faced almost certain liquidation and agreed keep on the remaining 116

Mr Tim Kelleher, executive rice-president of Verson, said: "This order confirms our belief in the export potential of Wilkins and Mitchell presses." The South African order has been placed by Vaal Metal Pressings of Boksburg, with delivery scheduled for 1983.

Wilkins and Mitchell was placed in the hands of the receiver after it was bought by by adding some of its own the Birmingham-based indus- transfer presses.

trial holding company Centre way Industries which wanted to keep Servis, the company's domestic appliance business. The receiver had started to

redundant when Verson stepped in. The U.S. group had wanted to buy Wilkins and Mitchell since the 1960s.

Recently, the group has been surviving on the minimum of orders and repair and mainten-ance work. Verson hopes to expand the range of presses Wilkins and Mitchell produces

# Bank of England adds to 'eligibles'

BY WILLIAM HALL, BANKING CORRESPONDENT

THE BANK of England has pose was to expand the supply added 11 banks to its list of institutions whose paper it is prepared to buy during the course of its daily money market operations. Four Japanese and three U.S. banks are among those put on the list. The new banks bring the total number of "eligible" banks, as they are known, to 114.

A little more than a year ago, the Bank of England increased substantially the number of banks whose sterling accep-tances are eligible to be rediscounted for cash. The pur- Landesbank.

of eligible bills, which play a key role in the Bank's money market operations under the new system of monetary controls introduced last year.

The Bank of England has now granted eligible status to the Roma, Central Trustee Savings Bank, Harris Trust and Savings Bank, Industrial Bank of Japan, Kyowa Bank, Northern Trust. Taivo Kobe Bank. Tokai Bank,

tionally dominated the market have seen their share of the market drop from 35.6 per cent 10 24.9 per cent during the last 10 months. A large part of the growth in the market has been accounted for by the U.S. banks, which

rendo

t ar

Since the change in the rules,

the volume of acceptances in the

London market has more than

doubled, to £12.3bn. The London

accepting houses, which tradi-

Trade Development Bank. Wells have more than trebled their Fargo Bank and Westdeutsche outstanding acceptances, to LONDON (GREATER) NOTTINGHAM Walkers Garage Limited Victoria Road, Netherfield

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- i Ulster Constabulary in which. it is alleged, some of the Late 1 drew handgups. They had been challenged about their identity by a hostile crowd in a ballroom in Castleblaney, County Monaghan, a town about five miles inside

Australia

# Voluntary unpaid work scheme launched

By Philip Bassett. Labour Correspondent

THE GOVERNMENT launched yestorday a two-year £8m scheme which will provide opportunities for unemployed people to perform unpaid voluntary work for the com-

Under the scheme, which was sharply criticised by unions When it was suggested last year. projects will be concurrent with other Manpower Services Commission (MSC) programmes for the unemployed and, in particular, with the new Community Programme Scheme for the long-term unemployed. amples are: local community schemes, adult education classes for the unemployed centres for skill and other training and contact work between voluntary centres and unemployed people.

Sponsors of particular schemes will apply to the MSC for money. They should make full use of existing resources, particularly premises, but, if necessary, the MSC could meet all approved costs, up to a maximum of £75,000 for any single project.

Payment for the cost premises must not exceed 60 per cent of total MSC support. Costs of materials and equipment must not exceed £7,500, or £15,000 for a community work

Staff taken on to organise the project will be paid a be reduced to 8.5 per cent net maximum of £89 a week for clerical staff, with higher rates per cent cut in building sociefor project supervisors. All staff must be recruited from the ranks of the unemployed. Unemployed people taking part in the schemes will be unpaid. but may claim reimbursement of £5 a week for travel costs.

Recruitment of staff for projects will be organised through existing job centres and employment offices, with priority given to the long-term unemployed.

The MSC believes that the scheme will provide the un-employed with constructive activity which might develop their skills, provide preparation for work and put them in touch with community projects and other voluntary work. Participation will not affect most entitlements to state benefit. There will be no enforced attendance and no set hours.

The scheme drew scathing opposition from trade unions en it was first floated by Mr James Prior, then Employment Secretary, and when it year by the Prime Minister.

However, it now seems to have the approval of the three TUC members of the MSC. It close together are planted to primary schools will be to the primary school to the primary schools will be to the primary schools will b was welcomed yesterday by the merge their courses. main voluntary organisations, have been closely London vesterday, follow the impels us to treble the number and against the national involved in consultations over Government's decision to of newly trained primary interest by t change the emphasis of teacher-teachers and to cut by about of Teachers, the new programme.

# ICI to expand U.S. investment

that the French Ministry of of a low-density polyethylene Industry has authorised its plant at Wilton on Teesside. proposed acquisition of Produits Chimiques Ugine Kuhlmann's still being negotiated, is thought

It was learned at the weekend

U.S. plastic film business in the the north-east. In addition, ICI wake of its decision to postpone is co-operating with BP a chemicals expansion project Chemicals in a reorganisation in the north-east of England. of the UK chemical industry, The company has also heard which will involve the closure year.

The U.S. investment will (PCUK) loss-making dyes and per cent in ICl America's ICl said its strong manufactur-pigments business. The deat capacity to produce Melinex ing presence in North America still being negotiated, is thought polyester film, a plastic product had made the company better

The expansion, at ICI pean plants. that the company has deferred America's Hopewell site in In France, the Produits of Switzerland.

North America consumes each

Melinex film, developed in the UK by ICI, is also manufactured at Dumfries, Scotland, and involve an increase of about 25 Rozenburg, the Netherlands. to be worth about £50m.

The expansion of ICI's overseas activities coincides with its
retrenchment policy in the UK.

It was been and a product that made the company better
used in the packaging, microknown there and had thus
film, reprographic, photograincreased its orders there. This
retrenchment policy in the UK.

Markets.

IMPERIAL Chemical Industries plans to build a £100m-plus Virginia, will increase the total Chimiques Ugine Kuhlmann is investing £32m (\$54m) in its methanol plant on Teesside in production capacity to 42,000 said that negotiations over the U.S. plastic film business in the the north-east. In addition, ICI tones a year by early 1984, ICI sale of its dyes and pigments supplies about a fifth of the business was continuing. The 110,000 tonnes of polyester film company said that the business accounted for about 10 per cent of its FFr 8bn (f673m) annual turnover.

According to the French Industry Ministry, the sale of PCUK's dyes sector to ICI would be the only way in which the activities could survive in

If the deal goes through, ICI will become the fourth biggest producer of chemical colourings -after Bayer and Hoechst of West Germany and Ciba-Geigy

# Abbey National's 7-day account on target

BY ROSEMARY BURR

ABBEY NATIONAL'S seven- from new customers. day account, launched on August 1, has had an enthusias- Westminster Bank's planning tic response. About £100m has manager, reacted in a low-key been deposited with Britain's manner. "There is no guaransecond largest building society in accounts paying 13.57 per National's seven-day account cent gross (9.5 per cent net)— We will wait and see how it half as much again as the shakes out in the longer term." equivalent return on a clearing bank account.

Savers in the account will have to give seven days' notice in writing before withdrawing their funds. Bank customers with a deposit account can get their money immediately by foregoing seven days' interest. Abbey National decided yes

terday to continue its controversial scheme in September. on the seven-day account will ties' basic rate which comes into forceon that date.

Abbey National said it may reduce the return on the account further without waiting for another cut in basic rate if we get too much money in.' At present it says it is on target for £100m a week. It is not clear yet what pro-

portion of the £100m placed in seven-day accounts is simply money from existing customers who have switched their funds from less attractive building National estimates that about 60 per cent of the money is

universities, which provide

close together are planned

The proposals, announced in

Mr Stewart Legg. National tee on the rate on Abbey

Banking Information Service. which represents the clearers said, " a figure of £100m is small so far in relation to over £10bn on deposit accounts at the London clearing banks."

problem than bankers have in.

# Banks cut mortgage rates

BY OUR BANKING CORRESPONDENT

BARCLAYS BANK and Midland Bank have followed the building societies and the other main clearing banks, and have reduced their home loan rates by 11 percentage points. The two banks' new rate is 12.5 per cent.

There had been uncertainty, after the building societies decided to cut their rates last week by I! percentage points to 12 per cent, that the clear-ing hanks might use that change as an opportunity to bolster their profitability and not match the societies' cut. Banks have embarrassed by the demand

THE Government is planning to training from secondary to one-third the number of new cut the number of English poly- primary schooling to take secondary teachers," he said.

teacher-training by 25 per cent. fall by more than 1.5m duting is planned at the Polytechnics to the ten years to 1985 said Sir of Huddersfield. Leicester,

rise again in the mid-1980s.

The school population would

Teacher-training cuts proposed

technics and colleges, outside account of birth-rate trends.

International

**Public Tender** 

Shares of

**Banco Continental** 

The Corporación de Fomento de la Producción, CORFO

(Chile's Production Development Corporation) kindly requests

investors to submit offers for the purchase of 27,523,954.

shares of BANCO CONTINENTAL which represents 55.05%

Rules and Background data covering this tender are available

to investors, at Moneda 921, suite No 822, Santiago, Chile,

subject to payment of a \$5,000 fee (or US\$ dollar equivalent).

Proposals should be forwarded in a sealed envelope, in

duplicate, to: Vicepresidente Ejecutivo, CORFO, Moneda 921,

suite 825, Santiago, Chile, no later than 10.00 AM, September

All proposals will be opened before interested parties by

CORFO'S Secretary General, who will administer this activity.

CORFO reserves the right to accept the offer which, in their

judgement, it deems to be in their best interest, or to reject all

This tender will be conducted in accordance with the faculties

granted by Law Decree No 1068 of 1975, without being subject

(CONTINENTAL BANK) .

Of the 68 institutions in the ten years to 1985, said Sir of

for mortgage funds, which has grown rapidly in recent months. By not cutting their mortgage rates by the full 1; percentage points, it was argued, the banks could dispel some of the demand.

However, the banks are conscious that this sort of

action would lay them open to criticism from the building societies, which have argued that the banks were only temporarily interested in the mortgage market.

The hanks have demonstrated their commitment to matching the societies' reduc-

Removal of teachers' courses

The Government's plan was

interest by the National Union

"The logic of the situation swiftly denounced as "stupid'

competing for personal deposits. This is a matter of increasing concern among bankers and it is a prime reason for Barclay's decision to start opening on Saturday again."

Although the other major building societies initially responded angrily to Abbey National's seven-day account, the Woolwich and Nationwide said yesterday that there was no evidence that they were

losing funds to Abbey. One building society, how ever, privately voiced the fear that smaller societies, seeing an exodus of investors, mught be pushed into following Abbey National, "We are all very vulnerable to someone else doing a short-term offer from September 1." the society

The Department of National Savings is also clearly worried by the huilding societies ability to attract funds. The depart-ment, which last month launched a monthly savings account, said Abbey National's launch and vesterday's issue from the Alliance Building Society, the first index-linked savings scheme from a building society, put it under added pressure.

behind schedule in attracting funds if it is to reach the Government's £3hn target by March 31, 1983. The first quarter of fiscal 1982/83 saw a net inflow

## **Sweets factory** in Liverpool faces closure

factories, at Bury or Nelson.

The decision to close the Liverpool factory follows the company's announcement in June that it was to close down its unprofitable Irish confectionery manufacturing subsidiary in Dublin, Lemon and Co. with the loss of more than 100

The news yesterday was not unexpected. The company's Board stated in June that it had begun a rationalisation of manufacturing capacity maintain profitability of the

Employees in Liverpool were

BARKER & DOBSON, the confectionery manufacturer and retailer, is to close its Liverpool sweets factory, which employs nearly 370 people, by about the end of the year. The company hopes to be able to employ between 100 and 150 of the workers at one of its other two

told yesterday that Barker & Dobson was unable to sell its confectionery profitably, and keep its current manufacturing capacity, and that Liverpool production could be made up by the Bury and Nelson fac-tories.

# Railbus contract for Leyland Vehicles

By Mark Webster

LEYLAND VEHICLES (LV) will win the contract to build the first 20 bodies for the BR Railbus, the lighweight railway carriage based on a hus superstructure, lt

confirmed yesterday.

But BR said nothing had been decided about subse quent orders, opening the way for competition from hard pressed companies like Metro-Cammell in Birming-

The Government will soon announce its approval of the Railbus scheme although progress may he held up by BR's current acute finargial troubles.

Initial investment is in the region of only £6m but the £240m which BR estimates it has lost through strikes has made it hard for the railways to continue with any fresh

Work on the underframe will be done by British Rail Engineering (BREL) which faces closure o fits Shildon plant and staffing cuts at Horwich, Swindon and Derby. BREL said yesterday that it had plenty of spare capacity to cope with any orders for the underframe of the

Ralibus but could not say yet where the work might go. The two pre-production units have been constructed as a joint project with Leyland which would make it

difficult for BR to chauge manufacturers at this stage. But Metro-Cammell said yesterday it was "very interested" in the project and although it had received no approaches from BR it would be making its own inquiries into future manu-

facture of the Railhus. The Railhus will he a much lighter carriage than the Diesel Multiple Unit which it will be replacing and will sit on only two axles.

The suspension is a spin off from the Advanced Passenger Train and should guarantee that the new carriages are quieter than road buses

## Banned drug helps skin disease cases

OPREN, the drug developed for arthritis but banned because of serious side effects, may be effective against psoriasis, a skin disease affecting nearly 2m in

unit of Nottingham University teaching hospital.

hours. Others failed to benefit and one dropped out of the trial because of gastrointestinal side effects.

Dr Allen, who has stopped further trials but is continuing to give Opren to three "very bad cases" under strict control, is writing to the Comasking them to take his results into consideration when deciding the future of the drug.

uez, Banque Nationale de Paris and Credit Lyonnais to form the Franco-British Channel Link Financing Group. It will include members of the five banks' project finance teams and will examine funding of proposals for a fixed channel link.

# Labour Party team to meet CBI leaders

BY PETER RIDDELL, POLITICAL EDITOR

today to discuss the economic right. outlook, in a move which is likely to provide further embar- to take advantage of the conrassment for the Government.

The meeting, at the request of Mr Peter Shore, the shadow Chancelor, is intended to find of the state and prospects of the economy, after its gloomy sive about the CBT's gloomy quarterly industrial trends survey on Wednesday.
The CBI was yesterday

regarding the meeting as part of its routine contacts with all political parties rather than anything exceptional to do with the economic debate.

The confederation denied it

was lining up with Labour since the party's policies on reflation. party backbench meetings. planning agreements and withdrawal from the EEC would do nothing for British industry.

The Labour team is not pri-

of common ground with the CRI. Burton who is responsible for both on Labour's view that the the intention survey.

THE Labour Party's economic main problem now is tack of team will meet Confederation demand, and about the necesof British Industry leaders sary measures to put the econom

The principle Labour aim is troversy about the economy, and recent gloomy forecasts to show that its criticisms of the Government are shared by indusout more about the CBI's view trialists. Ministers have been trying to mount a counter offen-

A meeting between the SCRI and an opposition party in these circumstances is noteworthy but not exceptional. Mr Shore and his shadow team have met CBI leaders occasionally, in the past and Sir Terence Beckett the Confederation's director general has attended

The Labour team will consist of Mr Shore with Mr Robert Sheldon, and Mr Jack Straw, the The Labour team is not priced in the CBI side will consist of Sir marily aiming to press its own Terence. Sir Donald Macalternative strategy but will in-Dougall, the CBI's senior econstead try to establish the degree mic adviser, and Mr Charles

# Four star petrol retail price rises to 173p per gallon

BY RICHARD JOHNS

172p-173p per gallon from the timing and the amount today as major oil distributors depended on the market in any follow the lead set by Shell particular area. last week in announcing an Ep dealers.

Exxon. British Petroleum, Texaco and Mobil all fell into line with Shell. They expressed relief at the prospect of cutting losses and warned of the need for more increases if industry's refining and marketing operations were to be restyred to a modicum of profit-foility.

Some shadow of doubt continued to rest over Conoco which triggered off seven weeks of warfare at the petrol pump by announcing in June a policy of charging a penny less per gallon on than any competitor in any given locality. Mr H. K. Bowden, Conoco

chairman, confirmed last night that the rate for the company's Jet brand would rise. He was unable to say, however, by how much. He said it would not be areas.

FOUR STAR petrol will cost a consistent price because both

Clearly Conoco does not want cut in price support for to renounce its image as the market's most aggressive force. Mr Bowden said sales of Jet. which previously had about 5 per cent of the market, had increased. He declined, however, to reveal the extent of

the growth.

He said price-mitting had eroded the competitive advanenjoyed by Conoco's Humber refinery and that his company had suffered with the cuntinue indefinitely with such

low prices, he said Among Conocc's competitors from 174n to 180n a gallon for four-star petrol is required for a small measure of profitability, vailing last week of 163b to 164n with markedly higher rates in the more remote rural

# Heavy truck sales show no signs of recovery

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

HEAVY-TRUCK sales show no to 2,602. real signs of recovery so far this year. Registrations for the first seven months remained at about the level for 1981 when they dropped to the lowest for more than 40 years.

Leyland Vehicles, the BL subsidiary, however, seems to be recovering from the strike at the start of this year. July sales improved slightly from last year's level, from 465 to 495 The company has much

ground to make up because its sales after seven months of 1982 remained nearly 22 per cent down on the 1981 level, at-3.248 compared with 4.130, Motor Manufacturers Traders' figures, in

According to Society of Traders' figures, in January-July period trucks and artics of over 3.5 tonne gross weight were regis-tered, compared with 25,304 in

the corresponding months last

year. For July alone sales were down slightly, from 2.790

Commercial vehicle sales as a whole in the seven months improved by 4.76 per cent, to

129,774, because of increased

demand for lighter vehicles. In particular, registrations of medium and heavy yans rose by more than 9 per cent, to 59,566, in the seven months. However, in July alone they fell back sharply, compared corresponding month in 1981, from 6.766 to 4.969, as a major Ford campaign for the Transit came to an end.

Light van registrations were up by 5.74 per cent in the seven months, from 34,645 to 36,637. The improvement continued in July when sales were 3,528 compared with 3,062 for the corres-

ponding month of 1981. Bus and coach registrations continue to give makers cause for concern. seven months they were down by more than 14 per cent to of recovery in July.

# Falling pound feeds familiar inflation fears

\$1.70, in September 1976, there was anxiety about the inflationary consequences-and with reason. The annual inflation rate which had been falling pound. from an unprecedented 26 per Sterli cent a year earlier, started to rise again to peak at more than a firmness against European 17 per cent by the following spring. There are again anxieties that

ı falling pound could make imports of raw materials and oil more expensive and wipe out some of the recent progress against inflation. For the Government, this would be an unfortunate re-run of last summer's events when sterling's effective exchange

rate fell nearly 14 per cent from

its level at the beginning of the year and the Bank of England was forced to raise interest rates sharply to defend the This combination of higher interest rates and a weaker currency fed through to prices, so that the annual inflation rate began to creep up last autumn

before stabilising at 12 per cent

at the turn of the year and then

However, the main difference between the currency move-ments of this year and those of last year is that the basic buoyed up by U.S. interest rates thirds manufactured goods. rather than weakness of the

falling again.

Max Wilkinson looks at the possible effects of a strong dollar on raw materials costs

Sterling's weakness against the dollar has been matched by currencies with the result that its Bank of England trade-weighted index against a basket currencies has remained remarkably stable at somewhere around 90 to 91.5 since the beginning of the year. In estimating the future

inflation, it is the effective rate which matters because it is calculated to reflect the pattern of Britain's trade in manufactured goods and raw materials. However, the price of most imported raw materials and of relaxed about the inflationary oil are quoted in dollars, so that

impact of the pound's value on

be expected to make industry's are now at a low ebb. supplies more expensive. This effect is unlikely to be as serious as in the days when Britain was the workshop of quantities of primary com-

modities into manufactured exports. Now, only a third of Britain's visible imports are of raw cause is strength of the dollar materials, compared with two-

Raw materials imports repre-

sent only about 9 per cent of total national output, so that a rise in the sterling price of these imports would have only a limited direct effect on retail

prices.

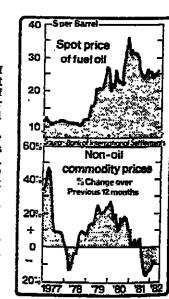
Moreover, a rise in the value of the dollar worldwide affects all the industrialised countries. When they all find the price of raw materials rising against them, demand will tend to fall, Prices are bid down again to a lower level in dollar terms. but perhaps much the same level as before in terms of the currencies of the importing

nations, One other reason that the UK can afford to be relatively effect of the recent rise of the any substantial weakening of dollar is that commodity prices sterling against the dollar could have been falling steadily and

The latest International Monetary Fund index for the dollar-price of commodities, excluding oil, shows a 3 per cent the world, converting huge fall between May and June. As a result of the worldwide recession following the 1979 oil shock and of the prolonged

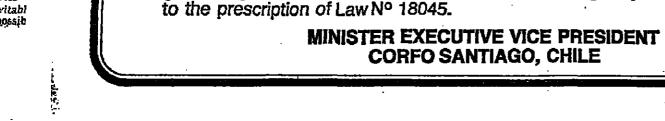
> modity prices have been falling for almost two years. The UK is insulated to some extent from the effect that a remark

weakness of U.S. demand, com-



high dollar has in raising the sterling price of oil. This is because a parallel effect is to raise in sterling terms the Government's tax revenue from the North Sea.

The more worrying aspect of the present trend of currency movements is that it is in the opposite direction to that which would benefit exporters. They have long wanted a pound which is strong against the dollar but weaker against the continental part:cularly



offers without offering explanations.

of the share capital of the Bank.

27, 1982.

Comparing Abbey National's scheme with a bank deposit account, Mr Legg argued," our own deposit account is more flexible, as you can get immediate access to your funds and there is no restriction on deposit account.

In addition to the seven days' notice, savers with Abbey National will have to maintain a minimum balance of £100. The maximum deposit is £20,000.

Looking to the longer term, the BIS was less sanguine. "Abbey National's ability to pay depositors a rate which is significantly higher than money

The Department is running

The case of a man whose psoriasis disappeared while was taking Opren for arthritis prompted consultant Dr Roger Allen to give it to

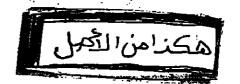
Some improved within 24

Banks to examine Channel link

MIDLAND BANK and National Westminster Bank have joined with Banque

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**Coal Board** 

warns on

sales 'risk'

THREATS OF industrial action

by the National Union of Mine-

workers are jeopardising the sale of 6m tonnes of coal, the

National Coal Board said yester

The NCB believes if could sell this amount by about 1985 to industrialists who were thinking

of switching to coal from dearer

gis and oil. The sale could go shead if they were convinced of secure supplies at reasonable

The warning to Britain's 211,000 miners, is in the indus-

try's newspiaper Coal News. It

is a clear attempt to undermine support for industrial action as

Mr Arthur Scargill, NUM

president, has threatened national industrial action over

pay and closures. The NUV

opposes all pit closures except where coal reserves

the autumn wage

approaches.

potentia

in scrat ers in rket. Significa tinenta. Europ ntries zevitabl





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The Corporación de Fomento de la Producción, CORFO, (Chile's Production Development Corporation) kindly requests investors to submit offers for the purchase of 71,997.475 shares of Compañía Chilena de Navegación Interoceánica S.A., which represents 92,91% of the share capital of the Company.

Rules and Background data covering this tender are available to investors, at Moneda 921, suite Nº 822, Santiago-Chile, subject to payment of a \$ 5,000 fee (or US\$ dollar equivalent). Proposals should be forwarded in a sealed envelope, in duplicate, to: Vicepresidente Ejecutivo, CORFO, Moneda 921, suite Nº 825, Santiago, Chile, no later than 10:00 AM, October 8, 1982.

All proposals will be opened before interested parties, by Corfo's Secretary General, who will administer this activity. CORFO reserves the right to accept the offer which, in their judgement, it deems to be in their best interest, or to reject all offers without offering explanations.

This tender will be conducted in accordance with the faculties granted by Law Decree No 1068 of 1975, without being subject to the prescriptions of Law No 18045.

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# UK NEWS-LABOUR

# Tebbit seeks even lower pay offers this round

BY PHILIP BASSETT, LABOUR CORRESPONDENT

MR NORMAN TEBBIT, Employ- how much to offer. In what may Secretary. reaffirmed government pressure for low wage settlements in the new pay round by restating the a substantial rise. I hope their crucial and unbreakable link expectations are not too high." crucial and unbreakable link " between pay and jobs.

be pleased with settlements in the pay round just concluded, particularly in the private secfollowing the Chancellor's lead in seeking even lower settlements this year.

Mr Tebbit, speaking to the Scottish Engineering Employers in Glasgow, said "The new pay round has started. Let us hope it will not be the round in which ound has started. Let us nope prospects not only to date will not be the round in which group but also for other groups egotiators knock out their. Moderate pay settlements pronembers' firms by daft claims." mote not only workers' own Negotiators were thinking interests but also the interests negotiators knock members' firms by daft claims." about how much to claim and

yesterday be a reference to the engineering industry claim, he said, "Some unions are looking for

Mr Tebbit said that most The Government has reason to workers were realistic enough to see the link between their own pay and their own job and knew that a smaller increase now could help to avoid unemployment later. He went further, by stressing

links between pay and jobs in different industries and sectors. "Pay increases for any one group of workers affect job prospects not only for that

Speaking after an earlier visit to a motor trade training centre in Glasgow, Mr Tebbit said he did not expect upemployment figures to drop significantly over the next 18

He was prepared to fight the next election with unemployment still a major issue. asrwer to unemployment lay "higher productivity, lower industrial costs and wider product markets."

He jovially rebutted suggestions that he was one of the most unpopular ministers, and claimed that the Government's opposition of only a fringe-group of union leaders.

was already a volatile simation, would exacerbate

The Government is clearly

concerned at the level of

monopoly union power in the

public utilities. It is consider-

ing proposals aimed at what

Employment Department offi-

cials call protecting the community from the abuse of

left-wingers in other unions.

However, if as seems likely,

the two seats up for election are won by the left, they will have an in-built majority on

the executive based upon

• The left-led Furniture, Timber and Allied Trades'

Union is also restructuring its

governing general executive

The 77,000-strong union

reducing the number of its executive seats from 27 to 19.

The number of the union's

larger geographical areas.

matters seriously.

## current Employment Bill was a popular measure, attracting the

exhausted The NCB says the 6m tonnes at risk is equivalent to a year's output of about 12,000 workers. It believes this business is needed to safeguard the size of bargaining ability of the trade unions at national level." the industry and to prevent additions to colliery stocks, already at record levels. halved in 1981. The unions said the proposals, far from improving industrial relations in what

Two-thirds of the NCB's 120m connes of annual sales go to electricity generation. presents limited prospects for xpansion.

Sales to industry, although much smaller, are one of the few sectors in which the board sees early opportunities for

The board says it has convinced companies of the case for conversion to coal—which is about two-thirds the price of

Mr Donald Davies, the board's member for marketing, writes in Coal News that these potential customers are worried when they hear through the media of resolutions repeatedly to industrial action.

'It takes customers from twoto-five years, from making decisions and doing design work, to get new plant burning coal. Companies are clearly not rushing to tur nto coal but we have a real chance of increasing the coal burn in the next few years -providing we do not lose their

Incentives include ment grants of up to 25 per cent for conversion, and the prospect of cheap EEC loans being available shortly.

Mr Scargill returns from holiday in Cuba this weekend. when his approximate six-week deadline for possible industrial action passes. The threat is over

# Water unions against local deals

on the Government's surprise

Mr Eddie Newall, trade

union-side secretary of the in-

dustry's joint national indus-

WATER INDUSTRY unions yesterday said the Government's proposals to abolish national collective bargaining in the industry were not directed at improving efficlency but at disrupting the unions' bargaining ability and

In statements lodged yesterday with the TUC, which will pass them to the Government, the water unions complained of the lack of trade union

LEFT-WINGERS in the Asso-

Engineers and Firemen seem set

to increase their influence

within the union after a recon-

struction of its executive com-

mittee which has seen the

disappearance of one of its

The nine places on the execu-

tive are being reduced to eight

in line with an Aslef delegate

conference decision to reduce

the number of the union's full-

current holder of the Manches-

An election for the

time district secretaries.

area-based seats.

trial council, representing 70,000 workers and staff, said: It is the trade union side's view that this is an utterly irresponsible approach on the part of the Government and a recipe for chaos."

. Mr Newall said "the proposals have little to do with improving arrangements and are directed at disrupting the

Move to left likely in Aslef

executive committee.

left-wingers and moderates His opponent, Mr Les Johnciated Society of Locomotive son, holder of the north-west though both terms in Aslef circles are relative, because the seat, will become full-time dismoderates in the union tend to trict secretary for the area at beginning of next year. be at least as tough as many

committee.

electoral

The union areas bordering the merged seat have taken up portions of its geographical

Unti then he will stay on the

Elections are now taking place for the porthern and Transport executive seats. The northern seat was held by former president Mr Bill Ronksley before he was Accordingly, the union's Manchester and north-west executive seats are being elected full-time officer for the area. The London Transport election arises from the death

in office of Mr Ted Miles. merged seat was won by Mr Terry Clarke, a moderate, the The changes mean that the new eight-man executive is

## districts will be reduced from 18 to 14, and the number of district organisers from 39 to 32. the suspension of production at Snowdown colliery in Kent. **GMWU** chiefs back boilermakers merger

BY OUR LABOUR STAFF

PROPOSALS for a merger between the General and Municipal Workers' Union and the Boilermakers' Society were agreed yesterday by the GMWU executive council.

Similar proposals already been agreed by the Boilermakers' executive. Now the union plans to ballot their members on the terms of the proposed amalgamation, which is subject to legal scrutiny.

The readiness of both union executives for a merger has been conveyed to the Certification Officer, who will oversee arrangements for the ballot on the transfer of engagements movement of membershsip-be-

tween the two unions. Membership of the GMWU would rise to almost 1m if the merger went ahead. This would rival the Amalgamated Union

size to the Transport and General Workers' Union. The moderate Boilermakers has about 120,000 members, and the politically similar GMWU about 860,000.

The Boilermakers would form a large industrial group, in the merged union, with its current shipbuilding members, although with a special craft emphasis. All eight members of the Boilermakers' governing executive would join the GMWU executive, to bring the size of

the new committee to 38. Mr David Basnett, GMWU general secretary, said yesterday: "This agreement on amalgamation, when ratified by the membership, will lead to the creation of a major new union capable of representing all grades of workers in a powerful force in both private and public

"Today we took an important of Engineering Workers for step towards establishing a union second place in trade union for the 21st century."

# Licensing proposed for private security industry

BY OUR LABOUR STAFF

LICENSING to control the expansion of the private security industry is proposed today by the independent Low Pay Unit as a cure for low standards of service and ex-ploitation of the workforce. Mr Simon Crine, research

officer, says in a study that criminal records.
"the underside of the indus-develop a training try is characterised by anarchic cost-cutting through extremely. low rates of pay."

Mr Crine advocates a national agreement between employers and unions. The licensing The largest companies set

ditions by negotiation with unions, mainly the General and most employers do not. Mr W1V 3DG; 85p.

Crine says. They were afraid to improve wages in case they lost price competitiveness. Licensing—so far rejected by

the Government-would aim to set minimum recruitment standards, eliminating the employment of people with serious develop a training course.

and unions. The licensing system would require adherence their minimum pay and con- to the minimum rates of pay and conditions which it fixed. unions, mainly the General and Low Pay Review No 10, July.

Municipal Workers Union, but 1982: LPU, 9, Poland Street.

# Midland Bank fight

BY OUR LABOUR STAFF

THE BANKING, Insurance and Finance Union yesterday began a campaign of non-co-operation with the closure of Midland Bank's registrar's department in Sheffield.

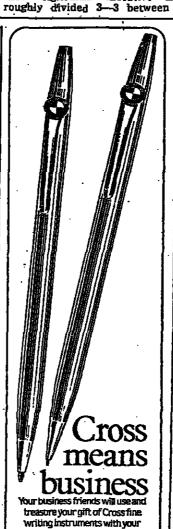
The campaign will not bite, however, until the bank tries to withdraw the share registers of customer companies from the

Midland said alternative

arrangements had been made for 78 of the 106 staff whose jobs are threatened. It has refused to guarantee continued employment, but says it will make every effort to redeploy staff in the 12 months before closure is completed.

So far 57 new job opportuni-ties have been identified, and 21 of the staff have indicated they lary early retirement.





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# THE ARTS

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# Van de Veldes/Maritime Museum

## **David Piper**

It is a most agreeable excur- de Veldes can fairly be de sion, on a fine summer's day, even without a specific aim in view, to get into a river boat at Westminster or the Tower, and be steered downstream to Greenwich. The voyage maybe Father Wellem was out with awakes melancholic echoes, for the Dutch first at Solebay: 12 it passes through what were months later he was sailing once great docks of what was with the English fleet to the once, a mere 20 years ago or so, the greatest port in the world. The river banks are now forlorn, with weeds and abandoned warehouses. The water, once live with sea-going traffic, bears scarcely anything other than the toy pleasure boats such as that on which you ride.

It is, though, not unpleasant to think upon transiency (though fair weather is advisable), while when you dock at Greenwich, you disembark immediately to the prospect of the Cutty Sark; to the splendours of Wren, Hawksmoor, Vanbrugh; and to the live history of maritime England displayed in the National Maritime Museum, And there, until December, your special aim can be the exhi-bition. The Art of William Van de Veldes, arranged in the elegant rooms of Inigo Jones's the Oueen's House.

More than one strain in painting in which the British have excelled particularly derives in fact directly from foreign immigrants—the very different brands of portraiture begotten by Holbein on the one hand and Van Dyck on the other on English stock, for example. The Van de Veldes no less begat English maritime painting. Even the young Turner felt he must match them in their own idiom hefore he could evolve his own apocalyptic vision of the sea, while, as this exhibition perhaps unexpectedly shows. Constable too acknowledged a debt to them. There is a drawing by William the Younger of a swarm of sails tumbled like slightly dishevelled butterflies across a bay; there is a drawing by Constable, in very much the same delicate key of pale grey wash of shipping in the Thames, that one could well be forgiven for thinking had been breathed on to the paper 150 years earlier by the

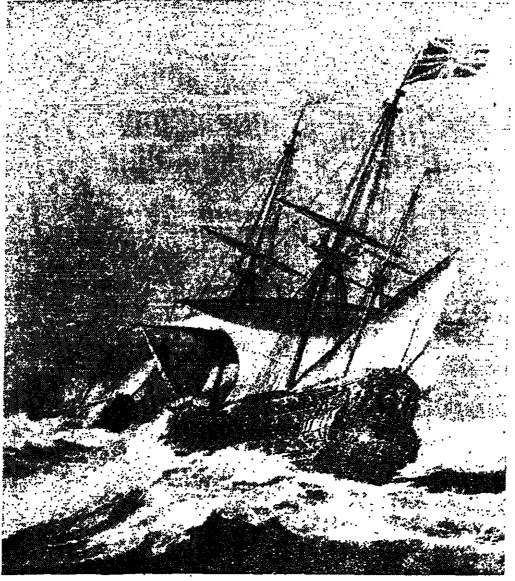
For the Van de Veldes were Dutch, as Holbein was German-Swiss and Van Dyck was Flemish - but, like them, the Van de Veldes sold their art

scribed as mercenaries. Official war artists for de Ruyter in the wars, Anglo-Dutch switched sides almost half way through a battle. In June 1672 two battles of Schooneveld, recording the action from a ketch. From 1673 on, father and son were based in England, first at Greenwich, then at Westminster, and both are buried at St James's, Piccadilly.

The dividing line that separates the work of the two is not always easy to distinguish, even with the aid of the discerning arrangement provided in this show. Willem the Elder's most easily identifiable work is those large grisalles battle-pleces, paintings in fact, but giving the impression of enormous line - engravings. These he put together dili-gently in the studio from the drawings made on the spot in his ketch — in the crowded yet stately mayhem and gun-smoke of his recording of the battle of Scheveningen (1653) there he is, in his tall hat, placidly getting the facts down on paper, maybe not actually in the thick of battle, but much too close to it for normal com-

These battle-pieces are, however mostly rooted in earlier Dutch traditions, and when compared with the best work of the son, whether in drawing or in oils, seem relatively stiff and regulated by the conventions of the studio. And yet it was Willem the Elder who was, it seems, the one who went into battle, while his son was more likely to stay at home in the studio. A painting by Van Musscher, convincingly identified as a portrait of Willem II. shows him sitting at his easel in an orderly Dutch interior, apparently working up a seapiece from drawings before him on the floor, which, the cata-logue suggests no less convincingly, might well be on-thespot drawings made by his

When certain subjects are concerned, the drawings of father and son are very close. The English always loved portraits, a passion extended to likenesses of their horses, houses—and, no less, their where they found the best ships. The portraits of the great



The English ship Resolution in a gale ' by Willem Van de Veldes the Younger

pompous poops, the exact detail of war. Though tiny people of their riggin, were recorded by the Van de Veldes in inventorial if superbly skilful prose. It is when the scene opens out into the shifting weather of the sea, that the feeling—incomparable at its best—of the younger artist is conveyed with a fresh immediacy that can take the viewer's breath away. The response of waves to wind, of hull and sail to that motion, make almost audible the creak of timbers and the strain of sail and rope. To my mind, the great sea-battle set-pieces are not the most moving, rightly famous as tours-de-force

though they be. They are all

famous

spill into the water and no doubt death, the human drama is not felt. Give me rather, the sea in its calm. There are paintings

Willem the Younger which no less aptly than any by those two great Dutch masters of calm water echoing calm sky, Cuyp and Van de Vappelle, embody that mood which Wordsworth was to capture in a "holy time quiet as a nun, Breathless with adoration."

The exhibition has a coda, which, as indicated, carries the story on to Constable and beyond, including representations of the work of Van de Velde's pomp and glory; the smoke of the broadsides, the swell of sail, the shatter of rigging gifted followers, Scott and market. When it came to pat- galleons, the intricately carved sail, the shatter of rigging Monany notably, though most the paintings, long promised, is riotic sentiment indeed, the Van and gilded detail of their seem remote from the reality telling of all, that short-lived any less urgently required.

genius. Charles Brooking. The selection relies on the Museum's own great holdings, especially of drawings, strengthened by relatively few but telling loans

The catalogue is very welcome, generously illustrated. with due acknowledgements to the doyen of all Van de Velde scholars, Michael Robinson. Many years retired now from the service of the Museum, he is said still to be sailing his own small boat between England and Holland in pursuit of his quarry. His monumental catalogue o the drawings is done, but it is to be hoped that this select exhi bition catalogue will not suggest

# The 1982 Salzburg Festival

Salzburg Salzburg has grown in-offensively at the edges but the centre has changed surprisingly little since I first went there, 50 years ago. It may be tidier and brighter now, and this year the long range of post-war buildings housing the large and small Festspielhaus and the Rocky Riding School look less unsuitably forbidding under a coat of fresh paint.

In 1932 I heard Bruno Walter

conduct Gluck's Orpheus with Signid Onegin, and Weber's Oberon with Maria Müller and the tenor Roswaenge. Clemens Krauss was in charge of Figuro and Rosenkavalier (in Alfred Roller's settings, with Krauss's wife. Viorica Ursuleac. as the Marschallin and the original. still lusty. Ochs of Richard Mayr). There was a Busch-Ebert Entführung. Memories have been stimulated by Josef Kaut's recently published Die Salz-burger Festsniele 1920/1981a useful book of commentary and pictures (the latter unfortunately confined to the post-war years) with casts and conpert programmes for the whole

I would gladly have swapned those programmes for this year's, though the latter inrlinded a new Fidelio and a new Cost fan tutte—both operas 2150 given in 1932, incidentally, though not seen by me. Fidelio heine conducted hy Richard Strauss, with Lotte Lehmann as he heroine. I might have enoved that better than the new tacing by the veteran Leopold Lindthers with Maszel, the new pead of the Vienna Onera, at the conductor's desk. Lindthera does not thumn home the messaee in the strident wav we have een in Britain lately. Sylta Riisse's costumes are not undated, but Hans Ulrich Schmückle's clumsy great set has a bombarded look, with cracked stone, outsize bathed wire (18th century pattern?) and a nathetic little callows backed down at the end. The vastiv elongated Grosses Festspielhaus stage offers little advantage to this opera, and Lindthers offers nothing positive in the place of "contemporary relevance.

At the second performance

tives must apply as well to  $Leonora\ No\ 3$ , shoved in the old way between the scenes of Act 2. Have conductors as well as producers lost touch with Fidelio? The only time in the evening one felt absolutely convinced that the Vienna Philharmonic were in the pit was in the grave-digging duet, when the Beethovenian groundswell took over and the voice of Rocco (Aage Haugland) matched the deep orchestral colours. And from that point the Leonora of the Hungarian soprano Eva Marton found her form. In the first Act Miss Marton was strong but hard of voice and stony of

The Florestan, the East ferman Reiner Goldberg, German heard at Covent

Ronald Crichton, who first went to Salzburg 50 years ago, has fond memories and mixed feelings

Garden, has a warmth and vibrancy rare among today's beroic tenors, but the performance never came fully into focus. Theo Adam's powerful Pizarro resembled a twisted bar of iron, in effective contrast to the youthful-looking, glib Don Fernando of Tom Krause. Having failed to make anything of Marzelline (Lillian Watson) or Jaquino (Gösta Winbergh) in the first act. Lindtherg drew all eyes to them at the end of the opera, allowing Leonora a long, affectionate farewell of the girl and Jaquino a pro-longed bout of sulks. Voice apart, Haugland's Rocco was uninteresting.
No mistaking the orchestra

Muti was conducting in Cost the next evening in the Kleines Festspielhaus — here were the Vienna Philharmonic at their best-silken, sensuous, not selfindulgent. The score was shot through with the Southern languor commonly attributed to this opera but not always achieved, laced with pre-echoes of Romanticism — a sudden summer breeze, for instance, Maazel's conducting was force-ful, dry, choppy. Those adjec-Athens. Languor however did

matched the approach of the producer, Michael Hampe, Intendant of the Cologne Opera. An empty, grey-white stage to start with, then curtain down for the overture, rising to reveal a simple. beautifully executed three-arch set for the quayside café and a succession of equally elegant, finely detailed architectural compositions unmistakably but not too insistently Neapolitan, as symmetrical as the action. Nothing from the producer or designer (Mauro Pagano) was merely decorative, however much the eye was ravished. Everything served, even the wine and purse put down by Alfonso for the wager.

The blend of the six voices was so smooth that one almost failed to notice that individuals were not physically sharply characterised. Dorabella (Agnes Baltsa) and Ferrando (Francisco Araiza) were livelier than the rather solemn Fiordiligi (Margaret Marshall) and Guglielmo (James Morris). Miss Marshall had a touch of Thatcher in her features — firm as a rock! José van Dam's Alfonso was a bonus. So was Kathleen Battle's warm-voiced, never squeaky or pert Despina. No-one would have guessed that the head cure to be hed come to the second seco she had sung two big arias at the Mozart-matines that morning.

I find it essential at Salzburg to get away once or twice from the expensive feel of the Festspielhaus area. Unfortunately the charming Mozarteum, the the charming Mozarteum, the obvious refuge, is catching up. Nearly £17 for a morning concert, even with Ingrid Haebler's very sound performance of the D minor piano concerto as well as Miss Battle is quite a lot. At the even more delightful Landestheater, Otto Schenk follows his successful Der Tolisman with another ful Der Talisman with another Nestroy farce. Der Zerrissene, not only producing but acting a leading role alongside the Nestroy specialist Helmut Lohner and another doughty comedian, Fritz Muliar, My excuse for trespassing in dram-atic pastures is that the piece was given with the original music by Adolf Müller and that by inviting Offenbach to Vienna, Nestroy virtually created the Viennese operetta school. excuse for trespassing in dram-

## **Buxton Festival**

## **Arthur Jacobs**

tival has built itself into a monic Chorus stood in rows at cheerful, participatory event as well as one of artistic importance was well displayed in its orchestra. In one small corner closing hours on Sunday night. At the Opera House, British singers and instrumentalists plus Hungarian dancers were performing Kodaly's The Spinning Room, with a BBC recording van in attendance. Outside in the square, Morris dancers preluded the performance and in the interval the local brass band was playing. Afterwards the drizzling rain could not dowse the enthusiasm of the torch-light processions in which both the Morris dancers and the bands reappeared to greet the emerging patrons of the fes-

was optimistically promised as a "British operatic and appropriate actions to premier," in an English trans-match her richness of musical lation by Elisabeth Lockwood. Operatic it was not. The instru-mentalists of the Manchester Camerata occupied most of the

**THEATRES** 

the back, their sounds insuffiarea to the right of the conductor (Anthony Hose), the four costumed principal figures their passage round them. minutes long and full of delightful folk music arrangements, deserves either proper staging or a careful concert presentation.

In such restrictive circumstances it was particularly size. two parts quite separate in the -the woman whose lover tival performance. has fled with the police on his After the earlier, spectacular heels, and the neighbour who has fled with the police on his staging of Kodaly's Hary Janos comes with her fellow-villagers which provided the great suc- to offer songs and dances durcess of this year's festival, The ing the man's absence. Linda cess of this year's festival. The ing the man's absence. Linda tope note. The mechanical bird Spinning Room itself was some—Ormiston did splendidly in as sung by Robyn Alexander thing of a disappointment in attempting this impossible task. with clear, expressive words

> Even more of a novelty, indeed a first performance of an Emperor correctly free of cari-unexpected kind was Nightin- cature.

COLISEUM, S 836 3181 CC 240 5258. ENGLISH NATIONAL OPERA TON'L Fri. 7.00 CARMEN. Tomor, 5st 7.30 THE MAKROPULOS CASE. Thur. Mon 7.30 TOSCA, Some seath avail at doors each

The way that the Buxton Fes- stage, and the Sheffield Philbar- gale by Charles Strouse. The composer of Annie has written (both words and music) a work ciently powerful against the for child audiences which is a genuine opera, not a musical; it does not depend on amplified voices or on a relentless beat, or on the repetition of obviously appeared, with five male Hun- catchy tunes. Harmonically it is garian folk-dancers making quite inventive, especially the beginning of the second of two Kodaly's little opera, some 80 short acts. But the cast of adults and local children were wisely chosen not for operatic reasons (voice plus whatever else you can get) but also for acting and dancing ability and for being the right shape and

> Pan's People and, more recently, Cats) was in all ways a most in 1979. attractive nightingale, showing no sign of strain in mounting to a high D. only a semitone short of Joan Sutherland's favoured Claire Lyth provided a richly comic touch. Dwarfed by imperial guards, Linda Kitchen imperial guards, Linda Kitchen four works performed would was an appealling maidservant and Peter Knapp contributed an tive on this quirkily talented

# News of My Own/ICA

## **Andrew Clements**

the Musica series, and one of informative. It is a strange, their most valuable strengths, is manic songcycle of some 13 fidelity-to individual composers and to compositional styles. accompaniments. The Some of the young composers seems to look towards a kind who have studied in Cologne of "salon punk," sometimes with Mauricio Kagel, especially hysterically funny, sometimes Gerald Barry and Kevin Volans, have become regular features in MusICA seasons and Sunday evening's concert brought another from the same stable. The programme, called "News of my Own," was given over entirely to the work of one C. Newman, born in 1958, who studied first at King's College, London, before going to Cologne

that a practically unknown talents, with no expense spared. On this occasion the ambition entirely justified itself, for heard in isolation no one of the young man. The first piece. Sad Bodily Secrets, for voice and piano, further.

One of the characteristics of might have been the least numbers, sung by the composer in a cracked baritone to banal angry, excessive.

the product of a precocious, naughty teenager; the string quartet of 1981, a seamless flow of melody with a haunting Schubertian modulation each time round, revealed something more individual and weirdly poetic. The two music-theatre works naturally showed some influence of Newman's teacher: but Kagel's influence was never Typical also of MusICA's oppressive and in Norelle — a approach to programme building crackpot epic in which the Young Hero relates his travels figure should be allowed a whole and sings some rudimentary evening in which to display his songs to a violin accompaniment —the flavour was peculiarly English. A slide presentation throughout Novelle demonstrated a fondness of punning between sound and vision, something which a video in the foyer unappetisingly entitled Functions, carried

11.00 £1.00 AMPLE FREE PARKING BRIEF 6.30 pm

# Allen Eager & Jon Eardley/The Canteen

## **Kevin Henriques**

Almost inevitably, tenor-is an unqualified triumph but, saxist Allen Eager and truth to tell, their three sets trumpeter Jon Eardley are next-last Friday were undistindoor neighbours in Leonard Feather's Encyclopedia of Jazz. Their closeness does not end there for both were born within two years of each other, both (unsurprisingly) came to eminence in the be-bop era and both have been out of the forefront of the jazz scene for

some years now. Their handful of fortuitous appearances together at The Canteen a few months ago sparked the astute and potentially stimulating idea of bringing them together for a longer period. This duly began last week and continues until August 28. It would be felicitous to report that the result hackneyed, all too predictable

Eager is a tenorist from the this occasion showed little of that master's lithe swing and ability to weave and sustain a logical, melodic pattern around familiar standards.

Eardley, playing flugel-horn on Friday, lacks a distinctive what nervous phrases which strike a needed balance with

formula of most of the tunes. Generally solos were taken in the same order, were of the same length and most times numbers were rounded off with the front line exchanging breaks with the drummer.

A little more imagination in presentation would have transformed the evening, especially as the accompanying British rhythm section, led by planist Ted Beament, was in bristling form with the leader the most sound on this instrument but inventive and stirring musician compensates with agile, some- on the stand, Bassist Phil Bates enlivened some of the routines with some bowed solos and Eager's less exciting style. 18-year-old drummer Steve
Much of the reason for the
disappointing evening was the admirably in such experienced company.

## Obituary/Allan Gwynne-Jones **Colin Amery**

distinguished painter, died on August 5 at the age of 90. Earlier in the same week a large retrospective exhibition of his paintings, drawings and etchings opened at the Glynn Vivian Art Gallery and Museum in Swansea. This carefully selected exhibition will be on view in Swansea until Sep-

March.

Gwynne-Jones had a very per- He was a distinguished sonal and calm vision of the teacher at the Slade School and world. The exhibition shows all his death will sadden the many aspects of his work; portraits, students and friends who came still lives, disarmingly beauti- under his influence.

Allan Gwynne-Jones, RA the tember 4, then tours to Llan-ful flower pieces and landdudno, The Ashmolean Museum, scapes. He was also a fine Oxford, the National Museum of craftsman and a selection of Wales, Cardiff, ending at the gilded china, illuminated manu-Royal Academy in London next scripts and painted objects are included in the exhibition.

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## F.T. CROSSWORD PUZZLE No. 4,945 ACROSS

1 Old space probe-a subject of Coleridge (7, 7) 10 Sulk with a learner, but blossom a bit? (5)

11 A male line formed in a battle scene (2, 7) 12 House of the lower classes? (7)

13 Former British Prime Minister with not so much that's uncontrolled (7) 14 Awaken us with eggs around

16 Support from beneath, subject to the control of proprietor (9) 19 One who is opposed to referring to a dowry is

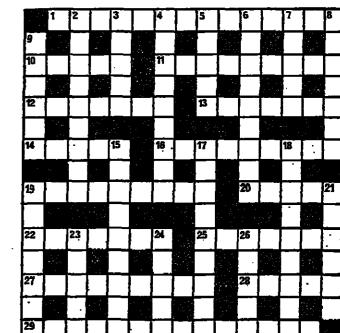
curative (9) 20 Friend from the south-east providing cover for 10 (5) 22 One tram converted into a pick-up (4, 3) 25 I'm out-of-date and totally

in deadlock (7) Harsh American obtained or acquired dishonestly (3-6) 28 Old queen of modern Yemen

29 Soldier set free—for public display (7, 7)

deductions (3, 6) 3 Logo I designed for an ice 19 Two articles solit by the left house? (5) 4 Requires wine juice, of 21 Sideways drift giving room necessity (5, 4)

5 Everything I own is wood 23 Yarn used in many longjohns (5) 6 Bring up minors to the back 24 Bumped into a learner on

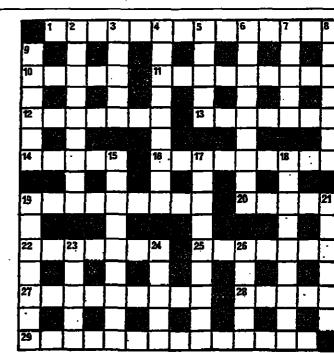


the evening (5)

8 Calls a group of people over a drink (5, 2) 9 Room right for packing (6) 15 Strive in an attempt (9)

stables on ship (9) in parliament (7) for free movement (6)

the surface of the road (5)



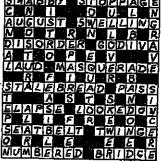
7 Northern fist turning up in 26 Dough obtained from artificial gems? (5) Solution to Puzzle No. 4,944

DOWN

17 Everything I dance about is trifling (9)

2 Catch a horse for a fee after

18 Take back soldiers and con-



ed for idusir

merge

11

Conferences

the year.

FOUR international conferences on small business and venture expital are scheduled between now and the end of

Places are still available

for British participants at the 1982 European Small Business

Seminar in Lille, France. Organised by the European

Foundation for Management

Development, it runs from

September 14 to 17. Further

details from David Watkins,

director, New Enterprise Centre, Manchester Business

School, Tel: 061-273 8228,

on Small Business is next on

the calendar and is being

held in Madrid. Spain, from October 25 to 28. The Madrid organiser is Ricardo Gaytre

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Forum of Private Business

(Tel: 0565-1468) is making

a group booking for British

Another symposium on the

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# THE MANAGEMENT PAGE: Small Business

WHAT HAPPENS TO NEW COMPANIES: BY TIM DICKSON

# Progress made and lessons learned

Three months ago (May 18) the aims and aspirations of two participants of a joint Greater London Council/London Enterprise Course for budding entrepreneurs were outlined on this page. Matthew Hypolite's objective was to start a specialist publishing business to produce books for young West Indian children. Eileen Walsh had just ploughed her savings into buying a small agency supplying babysitters and domestic cleaners. How are they faring?

NINE months after taking over a London employment agency offering three inter-related services-London Domestics, Babysitters Unlimited and Nannies Unlimited—Eileen Walsh is finding life as a small business proprietor more than agreeable. Indeed, the business is running sufficiently smoothly for her to have found time to resume a favourite form of relaxationplaying the flute.

Walsh, however, has mostly had her hands full in the past three months coping with her company. The effort has paid off, for turnover since last November is up by 30 per cent. The key to this improvement. she says, is the conversion of more telephone inquiries into

"I knew from the outset, of course, that service was vital but until you actually get inhow important it is. I think we are taking more trouble making greater efforts to deal with their problems, even if initially it seems that we are unable to help."

## Effective

Important lessons, meanwhile, have been gleaned from the GLC/LEntA course. "It taught me to use my time more effec-tively. I have, for example, hired a part time secretary to do some of the typing and routine office work so that I can spend more time managing and promoting the business."

The course also encouraged her to concentrate on the more profitable side of the operation, namely nanny placements.
"The profit from fixing someone up with a nanny is far greater than sending them a babysitter or domestic. As a result I have been spending a lot more time in the North of England interviewing girls for my register. This is already paying off, though at the moment the three parts of the business are still roughly equal contributors to

Cash flow remains healthy number."



Eileen Walsh: Turnover up by 30 per cent

though Walsh emphasises that but until you actually get in-she watches every penny. She volved you don't realise just has several credit customers who have recently been successsecretary. "It's amazing what a male voice does on the phone." she comments, adding a touch ambivalently: "But it does annoy me!

Further expansion is certainly part of the ultimate planthough Walsh is in no hurry. respectable return.
"One thing I'm learning is that you've got to go through 12 months in a business like this to see the peaks and troughs of At one point earlier this year there were a lot of inquiries for pannies but unfortunately we didn't have a big enough supply of girls. Next time I'll be able to see it coming and won't make the same

Walsh wants the agency to grow because she has found she enjoys running a business and she knows "the demand for a high quality service providing residential staff of all descriptions is there.'

At the moment she has one full time and one part time assistant but she realises that "if I had too many people in still the office. I could lose touch with what is going on. I think four probably

MATTHEW HYPOLITE is still at the stage of raising money for his publishing company, Armadillo Books, and is experiencing the frustrations of setting up a new business.

Bank managers, for exmaple, are enthusiastic about his ideas but two have recently identified areas of his business plan that can still be improved.

Meanwhile, an application to the Greater London Council for money to test market his ideas is taking longer to process than ne anticipated.

Hypolite's ambition is to establish his fledgling company as a fully commercial publisher of picture and story books for West Indian children in the age bracket one to 10. His primary motive is unashamedly social— he fervently believes that such books could significantly improve understanding between black and white communities in Britain and that by featuring West Indian characters in dominant and successful roles their audience will gain self-respect and confidence at an important formative age.

At the same time he is just convinced that there is a market for his product which will earn Armadillo a more than

## Preoccupation

Hypolite is neither daunted nor bitter by the setbacks so far. Far from it, in fact. "We don't have to prove anything to ourselves," he comments, "but I do realise that we have to show other people why we are right." To this end Hypolite's cur-

rent preoccupation is to raise enough cash to pay for an independent feasibility study and to test sample a "dummy" book in six London boroughs. Informally he has been promised £2.000 by Hammersmith Council's small business unitprovided Armadillo eventually sets up in that borough—and an application is currently waiting with the GLC for the further £3,000 which will be needed.

Hypolite realises that if, as sure that the market is there £3,000 which will be needed.

he fully expects, the results of and we don't want to give away the test sample and indepent he benefits to somebody else."

# Financial options disappearing

A STRING of indicators in the last couple of weeks has high- alone in admitting that the last few months. "Many comlighted the grim trading out- level of failures is currently panies have increased their look for many UK companies. "much higher" than a year the declining optimism and ago. "What has been clear for turn which has not material depressed demand reported by the left couple of manths is ised." according to a Rayclays depressed demand reported by the last couple of months is ised," according to a Barclays the Confederation of British In that demand for money for spokesman. Other problems industry, plus the increased bad capital spending has been low cinde the tendency of larger debt provisions made by all the and yet the utilisation of over- customers to delay payment of major clearing banks suggest drafts has been high. There are their debts and the backlog of that conditions for businesses tremendous liquidity pressures large and small are as difficult, at the moment." if not worse, than ever.

The 21.9 per cent increase extension of trade credit and in business failures recently notified by credit insurers, Trade Indemnity, for the first half of 1982 and the 22 per. cent rise in the number of customer accounts in legal hands at June 30 just reported by the terest payments was an unlikely solution. "Where a business Association of British Factors would seem to support this

in very poor heart." While some of the banks are discussing the "intensive care" facilities made available to lending" larger customers, what is happening to the smaller businesses in their portfolios?

SMALL businessmen are going Social Security-are better off to have to come to terms with sick than at work (either the Government's Statutory Sick Pay Scheme.

busine

The new legislation received Royal Assent last month and though many small firms' representatives are still smouldering with resentment, employers will be obliged by law to comply with its requirements from April 6 next year.

The scheme is simple enough in concept but undeniably complex in practice. At the moment employees claim state sickness benefit direct from the state. but under the new system employers will carry the responsibility for paying the sickness benefit for up to eight weeks in any one tax year. The benefit will be paid out

iike wages—and will be subject to PAYE and National Insurance contributions. It will be recoverable, however, by employers simply deducting from the National Insurance contributions they send each month to the Inland Revenue as a sum equal to the amount of sickness benefit paid.

The main purpose of these radical new arrangements is to bring sickness payments into the income tax net and to avoid the situation where some 10m people—according to the Department of Health and

because employers continue to pay gross salaries or because they make up the gross salary). The Government also hopes to cut out about 2,000 civil service jobs. An important advantage of

Government Loan Guarantee

The complexities of sickness

the new scheme is that those employers who normally continue to pay their employees at their own discretion when they are ill will be able to claim back £37 for a full week's sickness where the employee is earning more than £60 a week, (Where earnings are less than £60 a week the rates currently contemplated are £31 a week where earnings are £45 to £59.99 a week and £25 where earnings are £29.50 to £44.99

## Agents

One of the biggest bones of contention, however, is that new employers will be operating as collection agents for the DHSS. 'Adequate'' records will have be kept, adding another weight to what many already unjustified consider administrative burden.

The rules on what constitutes "day of sickness," for example, are not easy to grasp.

VAT and PAYE payments since the end of the civil servants' Further destocking, further strike. Lloyds, meanwhile, echoes the

others when it says its reductions in capacity are all are burning the managers options to help ease liquidity midnight oil to keep some comproblems, he says. "but these panies going-not just for the have probably been exhausted." good of the country but for our Like other banks Midland own self interest.

says it will consider reschedul-The difference between this ing debt, though rolling over intime and a year ago is that then it was possible to take action to stem the losses and improve can't afford these payments it is cash flow. Now most of the Barclays Bank says "distress hausted and some people are being left with no choice but to to small firms (excluding advances made to new cease trading." ses and those under the

be a spell of four days of sickness, called a "period of

incapacity for work." No benefit

is paid until the fourth qualifying day, but if two or more four-day sickness periods are separated by 14 or less

calendar days these are said

to be linked. If an employee

has three waiting days in one

four-day period and then a second "linked" spell, the benefit will be payable from

the first qualifying day in the

Employers will have to agree

with the employee when he is

sick-but if agreement cannot

be reached on this point the

DHSS will decide, ultimately by

tribunal. Responsibility for

deciding when and when not to

pay sick pay is that of the

employer; under a clause in the

Act employees can fill in their

own form for the first seven

days but thereafter doctors'

Details of how the Scheme

will work are outlined in DHSS Leaflet No. NI 227. The DHSS

has said that to help those who

have difficulty wading through the 59 page guide their local

offices will provide speakers for

organisations or individual com

panies running seminars.

certificates will be required.

second spell.

"Needs of New Technology based Enterprises" will be taking place in Luxemb on November 17 to 19. Contact J. M. Gibb, Jean Mounet Building, PO Box L-2920, Laxembourg, 43012918. Before the sickness scheme benefit becomes due there must

> Finally, Management Centre Europe has gathered together an impressive list international venture capitalists for a seminar on Venture Capital Investment: the risks and returns" to be held in London on December 2 and 3. Details from Management Centre Europe, avenue des Arts 4. B-1040 Brussels Belgium. Tel: (02) 219.03.90.

## Brickwork

BRICKMAKERS SMALL could have a rosy future, according to a new study carried out by the Inter-mediate Technology Group. The recession has hit big brickmakers hard but accord ing to Alan Bollard, the author, modern developments in intermittent kilus, claum firing, ambient drying and hand production are belying the small operator to exploit niches at the high quality end

"Brick Work," the third in a series of small firms studies, is available from the Technology Intermediate Bookshop at 9, King Street, London WC2. Price £1.65 of £2 by mail order (including

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dent study are encouraging, he

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to present to any prospective

will give the GLC something to

go on. They shouldn't just hand

money out to unknowns. The

time it will take will also enable us to develop both our

ideas and the business experi-ence I picked up on the course." His attitude to the banks is

similarly understanding at this

stage, though he resents the

tendency of institutions (includ-

ing black dominated ones) to apply "unnecessary" special

standards to "ethnic minority

I have seen both said they

needed more evidence that

there is a market for this sort

On the other hand, I do wish that the banks in this country

would be a bit more adven

turous. In the United States

there are a number of success

ful black publications and the

banks look at the companies behind them in strictly commer-

cial terms. In Britain financial

institutions should remember

that the black population has

money to spend and represents

a viable market. They should

treat black businesses on their

If he fails to find outside sources of finance. Hypolite

has drawn up a couple of con-

tingency plans, including the

of developing a

says he will not give up.

commercial merits."

possibility

book-and they are right

The two bank managers that

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- 5.40 News.
- 6.00 Regional News Magazines.
- 6.25 Tom and Jerry. 6.35 Kick Start: A motorcycle
- trials competition. 7.05 The Show Me Show, with John Craven and Maggie
- · Philbin. 7.35 Hi-De-Hi!
- 8.05 Private Schulz.
- -9.00 News. 9.25 Why Was Cairo Calm? The
- Tuesday Documentary. 10.15 Pasmore, starring Philip Jackson, Alison Steadman and Jimmy Jewel.
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9.30 am Sesame Street. 10.30 The New Accelerators. 10.55 Joe 90. 11.25 The Flying Kiwi. 11.50 Captain Nemo. 12.30 pm Gardsning Time. 1.20 Anglia News. 3.45 Robin's Nest. 6.00 About Anglia. 7.00 Survival. 11.30 Nero Wolfe. 12.36 am Tuesday Topic.

BORDER 9.30 am Larry The Lamb. 9.40 Evolu-tion. 10.00 Cool McCool. 10.20 321 Contact, 10.55 Roses Cricket: Coverage Border News. 3.45 Roses Cricket. 5.15 Roses Cricket. 6.00 Lookaround Tues day. 7.00 Robin's Nest 8.00 Simon and Simon. 11.30 Border News

CENTRAL 9.55 am Our Incredible World. 10.20 The National Youth Jazz Orchestra in The National Youth Jazz Orchestra in Concert, learuring litss Davies 10.45
The Incredible Hulk. 11.30 The Crazy World of Sport. 12.30 pm The Young Doctors. 1.20 Central News. 3.45
Robin's Nest. 5.15 Mork and Mindy. 8.00 Crossroads 6.25 Central News. 7.00 Private Benjamin. 8.00 Magnum 11.30 Central News. 11.35 City bi

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RADIO 1

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11,00 Dave Les Travis. 12.30 pm Newsbeat 12.45 Paul Burnett. 2.00 Steve Wright. 4.30 Peter Prival. 7.00 Talkabout 5.00 David Jensen. 10.00-12.00 John Pael

RADIO 2

roads 6.00 Chennel Report. 6.15 Stringtay, 6.30 Private Benjamin, 7.00 Robin's Nest. 8.00 Simon and Simon, 10.28 Channel Late News. 11.30 Nero Wolle. 12.25 am Commentaires et

6.40-7.55 am Open University.

†5.40 Laurel and Hardy in "Hog

6.05 The World About Us.

6.55 Six Fufty-Five Special. 7.30 News Summary.

10.30-10.55 Play School. 5.10 pm The Iuside Scene

6.00 Ventriloquist Cat.

Wild,"

about its history and treasures.

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9.30 am First Thing. 9.40 Sesame
Street 10.40 Project UFO. 11.30 Zoom
the Dolphin. 11.55 Undersea Adventures of Captum Nemo. 12.30 pm
Gardening Time. 1.20 North News.
3.45 Clegg's People 6.00 Summer at
Six. 7.00 Room's Nest. 8.00 Simon
and Simon. 11.30 Musical Special.
12.30 am North Headlines. GRANADA

9.30 am Larry the Lemb. 9.40 Evolution. 10.00 Cool McCool. 10.25 3-2-1 Contact. 10.55 The Roses Match. 1.20 pm Granada Reports. 2.00 The Roses Match. 3.45 The Roses Match. 5.15 The Roses Cricket (final visit to Old Treflord). 6.00 This Is Your Right. 6.05 Crosstoads. 6.30 Granada Reports News. 6.35 Family Trees. 7.00 Robin's Nest. 8.00 Simon and Simon. 11.30 Journey Into The Unknown.

midnight). 1.00 am Encore (S). 2.00-5.00 You and the Night and the Music

RADIO 3

11.60-11.50 Newsnight.

The Past Affoat.

7.35 Food and Drink.
8.05 Arthur Negus Enjoys:
Goodwood House.
8.25 Bird Spot.

79.00 John Ford Season. "The Sun Shines Bright."

TELEVISION

Tonight's Choice

Highlight for me tonight will be Carnaval which follows the five-day thrash in Bahia (Salvador) in Brazil. Here the carnival

is the big event of the year. The city was the centre for the slave trade and the blacks of Salvador retain more of 18th

century West African culture in their songs and dances than

contemporary Nigerians. Christianity has given a very light gloss to the African Gods, but the churches of the town and

colonial mansions provide an ornate setting to the party (ITV

Negus. At \$.05 on BBC-2 he is actually in somebody else's home, the beautifully-sited Goodwood House in Sussex. But he talks well

Corporation has a knack in casting which seems quite beyond

the commercial competition, and this run of repeats just confirms

the quality of the concept and characterisation. Another well-

liked repeat Private Shulz comes to a close tonight. The Tuesday

documentary looks at President Sadat and considers why his

BBC 2

assassination left the Egyptian people so unmoved.

How different from the home life of our own dear Arthur

Hi De-Hi! is in the great tradition of BBC comedy. The

10.00 am Once Upon A Time . . .
10.25 Bailey's Bird. 10.50 Pro-Celebrity Angling. 11.15 Little House on the Prairie. 12.30 pm Gardening Time. 1.20 Scottish News. 3.45 The Real World 5.15 Pet Subject. 5.20 Crossroads. 6.00 Scotland Today. 6.30 World Worth Keeping. 7.00 Robin's Nest. 8.00 Skin Deep. 11.30 Laie Call. 11.35 Pro-Celebrity Snooker.

·· TSW 9,30 am Sesame Street, 10.30 Feature Film: The Million-Pound Note. starring Gregory Peck. 11.50 The Underseas Adventures of Captain Nemo. 12.30 pm Retirement Report. 1.20 TSW News Headlines. 3.45 Survivat. 5.15 Gus Honeybun's Magic Birthdays: 5.20 Crossroads. 6.00 Today South West. 6.30 Private Benjamin. 7.00 Robin's Nest. 8.00 Smon and Simon. 10.32 TSW Late News. 11.30 Nero' Wolfe. 12.25 am Postscript. 12.30 South West Westher. 12.30 South West Weather.

9.35 am Sesame Street. 10.35 Tuesday Morning Feature Film: "Tamahime." 12.30 pm Gardening Time. 1.20
HTV News. 3.45 Survival. 4.15 Ask wood and lan Carmichael 11.30 A Full Oscar: 5.15 Diffrent Strokes. 6.00
HTV News. 7.00 Robin's Nest. 8.00
Simon and Simon. 10.28 HTV News. Strokes. 6.00 Coest to Coeff. 7.00
11.30 Ethnic Roots.
HTV Cymru/Wales—As HTV West

TVS

9.30 am 3-2-1 Contact. 10.00 "The Amorous Prawn," stating Joan Green-Company." Stating Joan Green-Company.

**RADIO** 

except 12.00-12.10 pm Mistar Clai. 4.15-4.45 Ar Ei Ol. 6.00 Y Dydd. 6.15-6.35 Report Wales. 11.30-12.15 and Brass in Concert.

ANTONY THORNCROFT

SCOTTISH

TVS

10.15 am Story Hour. 11.10 Sting-rey. 11.35 Call It Mecaroni. 1.20 pm 1 Lunchtime. 3.45 Untamed World. 4.13 Ulster News. 5.15 Gambit. 6.00 Good Evening. Ulster. 7.00 Robin's Nest. 8.00 Simon and Simon. 10.29 Ulster Weather. 11.30 News at Bedtime.

YORKSHIRE

age from Old Trafford of the crickst match between Lancashire and Yorkshire. 12.30 pm The Roses Match. 1.20 Calendar News. 2.45 The Roses Match. 3.45 Calendar Tussday. 5.15 The Roses Match. 6.00 Calendar [Emlev Moor and Belmont editions]. 7.00 Robins Nest. 8.00 Simon and Simon. 11.30 Bradford International Jazz Festival: Minous Dynastiv

Minute Theatre. 11.33 Wildlife. 12.00
News. 12.02 pm You and Yours. 12.27
England, Their England, yb A. G. Macdonnell 12.55 Weather: travel: programme news. 1.00 The World At
One. 1.40 The Archers. 1.55 Shipping
Forecast. 2.00 News. 2.02 Woman's
Hour. 3.00 News. 2.02 Woman's
Hour. 3.00 News. 3.02 A Dance to
the Music of Time (S). 4.00 News.
4.02 Strange People and Experiences.
4.10 The Lost Battefield. 4.40 Story
Time. 5.00 PM: News magazino. 5.50
Shipping Forecast 5.55 Weather; programme news. 6.00 News. including
Frinancial Report. 6.30 Bisin of Britain
1232 (S). 7.00 News. 7.05 The Archers.
7.20 Medicine Now. 7.50 File On 4
8.20 The Seaside in Summer. 9.05
In Touch. 9.30 Kaleidoscope. 9.59
Weather. 10.00 The World Tonight.
10.30 Injury Time (S) 11.00 A Book
at Bedume. 11.15 The Financial World
Tonight. 11.30 Music at Night. 12.00
News. Minute Theatre, 11.33 Wildlife, 12.00

performance instead of an

The Court of Appeal so held

when dismissing an appeal and

was in their favour was reversed.

reverted to the owners wh could use her as they liked.

to renew the charter, and an

to renew the charter for a

The effect was that they were

RACING

unbeaten Rocky Marriage and

the colts Beldale Concorde and

UK producer-location-Falkirk.

location Falkirk.

Glasgow.

January 1 1982

award of damages.

9.30 am Rocket Robin Hood. 9.50 Wild, Wild World of Auimals. 10.15 The Nature of Things. 11.10 The History Makers. 11.30 Paint Along With Nancy, 12.00 Pullover. 12.10 pm. Let's Pretend. 12.30 The Sullivans. 1.00 News, plus FT index 1.20 Thames News with Robin Houston, 1.30 Emmerdale Farm 2.00 A Taste of China. 2.45 The Spoils of War. 3.45 Father Dear Father. 4.15 Dr Snuggles, 4.20 Runaround. 4.45 What's Happening. 5.15 The Real World.

LONDON

5,45 News. 6.00 Thames News with Rita Carter and David Bellin. Community action

with Viv Taylor Gee. 6.35 Crossroads. 7.00 Looks Familiar: Denis

Norden with his guests Bob Monkhouse. Peter Noble and Gloria Swanson 7.30 The Video Entertainers. 8.00 The Streets of San Fran

cisco. 9.00 Playhouse. 10.00 News. 10,30 Carnaval.

11.30 City of Angels. 12.25 am Close: "Sit up and 12,25 am Close: Listen " with Sian Phillips. Marine Incorporated, charterers. † Indicates programme in black and white

## TYNE TEES

9.20 am The Good Word. 9.25 North
East News. 9.30 Clegg's People. 9.55
The Music of Man. 10.50 The Undersea Adventures of Captain Nemo. 10.55
Roses Cricket: Lancashire v Yorkshire.
1.20 pm North East News and Lookaround. 2.00 Roses Cricket. 3.45 Roses
Cricket. 5.15 Roses Cricket. 6.00
North -East News. 6.02 Croseroade.
6.25 Northern Life with Tom Coyne.
7.00 Robin's Nest. 8.00 Simon and
Simon. 10.30 North East News. 11.30
The Living Legends of Jazz and Bluss:
Muddy Waters. 12.00 Lawrence's Law. appeal by the second respondents. Regie Voor Maritiem Transport. a Belgian company, was allowed. LORD DENNING, Master of the chartered her to Canadian charterers on a most unusual type of charter. It was for up to 108 days during the summer

9.30 am Sesame Street. 10.30 Magilla Gorilla. 10.55 The Roses Match: cover-ege from Old Trafford of the cricket

BY DOMINIC WIGAN ALL SYSTEMS GO and Shearwalk, two of the principals in a dramatic finish to Goodwood's Lanson Champagne Stakes, renew their rivalry in today's Seaton Delaval Stakes at Newcastic. In what should prove another good race for this Group 3 prize, the other runners are the

season each year. For the remaining 257 days the vessel ULSTER

# FT COMMERCIAL LAW REPORTS

# Damages for lost option to buy ship

CN MARINE INCORPORATED v STENA LINE A/B AND ANOTHER

Court of Appeal (Lord Denning, Master of the Rolls, Lord Justice May and Sir Sebag Shaw): May 25 1982 DECIDING

and that they were entitled to It would have to pay the hire value on the service, though it exercise the option to purchase to the charterers during those was clearly of less value if she damages, are an adequate remedy in a claim for specific at the end of 1982. performance of an option to The owners took redelivery of

buy a ship, the court should the vessel on September 9 1981, take account of any advantages which make that ship of and used her on other services during the winter season, as they special value to the buyers; were entitled to do. About that and an existing advantage which would have ceased by time, however, they entered into negotiations which were serithe time the sale was effected ously in breach of the charter. under the option does not justify an order of specific

They arranged to charter the vessel to Regie for two years with an option to purchase. That would mean she would not be able to fulfil her commitments to the charterers for the summer season of 1982.

allowing a cross-appeal from a decision of Mr Justice Parker in The owners delivered vessel to Regie, who then did a great deal of conversion work on the Commercial Court (FT, May 11). The appellants were CN her to make her fit for Channel service. Regie took possession They appealed against that part of her in good faith without of the judge's decision which was notice against them, but the part which party. notice of the previous charter-The charterers did not know

Judgment was therefore in favour of the respondents, Stena Line A/B, shipowners A crossof all those goings-on. They exercised their option to purchase the vessel on March 2 1982. On March 6 they sent their representative to Holland to inspect the vessel. She was in the shippard undergoing extensive alterations.

Rolls, said that in May 1976 the It was plain that the owners further swedish owners of the Nordica had no intention of honouring purchase. their agreement with the charterers. They offered them another vessel. It was quite unsuitable and was rejected. The charterers commenced

proceedings against the owners. The trial was held before Mr. Justice Parker. He made an The charterers had an ontion order in favour of the charterers to the extent that he decreed specific performance of their option to purchase the vessel at the end of the fifth or sixth years. In July 1981 the charterers notified the owners in the same breath-he took away the benefit of it for the years 1982 and 1983. He said that they exercised the option it was to be subject to, and with commencing the benefit of, the charter to The result of that order was

entitled to have the vessel for that Regie would have the use

afterwards, .

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plant-important government contracts-1981 turnover f4m-

Stainless Steel Fabrication-1981 turnover £0.75m-location

than moderate opposition.

end of 1982.

The charterers appealed from order, in which he gave Regie the becefit for 1982 and 1983. They said that the decree for specific performance ought not to be limited in respect of those two years. They ought to be able to get delivery of the vessel in order to be ready for the

Miss Heilbron, for the owners. look the point that specific performance was not the correct remedy. She agreed that it could be ordered for a contract for sale of a ship, but said that in the present case damages would be an adequate remedy. The owners would be good for the money.

summer season in June 1982.

Regie cross-appealed. It said that it was not good enough that it should simply have the benefit for two years, but that it should have performance in accordance with the terms of its charterparty, namely, for two years nutfurther year and an option to

The fundamental point was whether damages were an adequate remedy for the charterers.

The charterers, in case they did not get specific performance. had made contingency plans involving the use of other involving the use of other vessels which would enable them to run their service for the season. Although those arrangements would satisfactory. Mr Justice Parker thought that it was a telling point. But what tipped the scales for him was the fact that the vessel was a sister ship to two already operated by the charterers on the same service He said that was a special

Rocky Marriage, a Riva Ridge trick, but my own idea of a

bay who made \$40,000 (£24,000) safer bet in today's company

as a foal before being sold is Shearwalk, a colt already

twice as a yearling-first for proven at this level. But for

\$60,000 and then for 17,000 being chopped for room inside guineas—has won both his the final furlong marker at

races in style. The easy con- Goodwood, this handsome grey

108 days of the summer season, of the vessel for 1982 and 1983, advantage and of considerable two years, but the charterers was to be operated, as she was would be able to get title at the after 1982, on another service. He found that the advantage was just sufficient when taken with the second part of the judge's other matters, including the owners' conduct, to satisfy him that an order for specific performance should be made.

It was very difficult to reconcile that reasoning with the judge's later reasoning that the charterers should have specific performance subject to the condition that Regie should have the benefit of its charterparty for two years.

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That took away the "sister hip" point, because Regie ship would have the use of the vessel during the time when the judge had said it would be valuable as a sister ship.

Specific performance could be made in the case of a ship, but in the present case damages would be an adequate remedy In those circumstances, as a matter of discretion, it was not a case for any order for specific performance. The charterers lost on that point, and the owners

As to Regie's cross-appeal, it was plain that as the charterers only had a remedy in damages, Regie was entitled to specific performance of its charterparty on the agreed terms. The cross-appeal should be allowed accord-

Lord Justice May and Sir Sebag Shaw gave concurring judgment For the charterers: Leonard Hoffmann QC and M. N. Howard (Hill, Dickinson and Co.). For the owners' Hilary Heilbron (Norton Rose, Botterell and Roche J.

For Regie: Johan Steyn QC, Bruce Repnolds and A. G. Bompas (Ince and Co.).

By Rachel Davies

# Pleasure (S). 6.30 Jazz Today (S). 7.00 The Fruits of the Spirit. 7.30 Prome from the Royal Albert Hall, part i: Strauss, Holloway (S). 8.25 Pleasures (talk by Bernard Levin). 8.45 Promes, part 2: Brahms (S). 9.45 Genes. Mind and Culture. 10.45 John Field and Beethoven (S). 11.15-11.18 News. 6.55 am Vicather. 7.00 News. 7.05 Morning Concert (5). 8.00 News. 8.05 Morning Concert (continued). 9.00 News. 9.05 This Week's Composer. Frank Bridge (5). 10.00 BBC Scottish Sympnony Orchestra. Part 1: Haydn (5). 10.30 Violin and Piano recital (5). 11.10 BBC Scottish Symphony Orchestra. Part 2: Bruchner (5). 12.20 pm London Baroque. part 1 (5). 1.00 News. 1.05 Six Continents. 1.25 London Baroque. part 2 (5). 2.05 BBC Northern Symphony Orchestra (5). 3.10 Challenham Fastival 1932 (S). 12:00 Gioria Hunnilord (S). 2.0 pm Ed Stewart (S). 4.00 David Hamilton (S). 5.46 News; Sport. 6.00 John Denn (S). 8.00 The Songwriters (S). 9.00 Later to the Band (S). 9.30 The Organist Entertains (S). 9.55 RADIO 4 10.30 Violin and Plano recital (5). BBC Scottish Symphony Orch. Part 2: Bruckner (S). 12.20 pm on Baroque, part 1 (S). 1.00 Six Continents. 1.25 On Baroque, part 2 (S). 2.05 Northern Symphony Orchestra 3.10 Chaltenham Festival 1932 On Holiday. 11.00 News. 11.03 Thirty-

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> > Arthur Young McClelland Moores & Co.

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age and health,

queror of market leader Noster son of Godswalk would un-Puer in a 10-runner event at doubtedly have got in a serious Sandown early last month, challenge to All Systems Go and Rocky Marriage followed up Lyphard's Special. Shearwalk, Lyphard's Special. Shearwalk, with a three-length win over 13 lengths adrift at the line, Amarone in the Donnington is carrying 3 lbs less this time.

Castle Stakes at Newbury soon Half-an-hour after the £16,000added Seaton Delayal, Beldale However, Rocky Marriage has Concorde's owner, trainer and yet to tackle anything more nan moderate opposition.

Jarvis and Pat Eddery, can
He may well complete the hatexpect a win from Northern

Secret in the Wansbeck Stakes. On her one appearance, this fine, big filly by the Northern Dancer stallion, Arts And Letters, was the only member of Ascot's Granville Stakes field

.00—Shearwalk\*\* 4.30—Northern Secret\*\*\* 5.00—Amber Vale FOLKESTONE .45—Сетега NOTTINGHAM 6.00—Zaheendar

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3.15-Sparkling Moment\* 7.30—Strafui 8.30-Brodi Crystal

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# FINANCIALTIM

Telegrams: Finantimo, London PS4. Telex: 8954871

Tuesday August 10 1982

# Long haul for Mexico

tier foreign exchange rate, debt. amounting to a heavy selective devaluation, bears the hallwho takes over on December 1. During the election campaign he called for a change of direction from economic growth to disinflating an economy bloated by over-ambitious expansion plans and a public sector deficit that had grown to 12.5 per cent of gross domestic product by last year.

## Measures

Overall, the economy had grown by some 8 per cent annually in recent years. The bubble was pricked when the price of oil. Mexico's main source of wealth and export revenues, faltered this year. As early as February, the pesu-was floated, causing the exchange rate to go from 26 pesos to the U.S. dollar to a rate just below 50 pesos.

But supporting measures subsequently taken proved inadequate. Budget cuts still left the prospective public sector deficit in 1982 at 9.5 per cent of GDP and the impact of devaluation was cushioned by government-decreed wage rises gling with the problems of countries such as Poland and

Mexico is heavily dependent upon the world's banking community. Its external debt, public and private, was at least \$70bn at the end of last year and it was estimated that another \$25bn-\$28bn were needed this year, of which were rather more than half would have to go towards debt service. The doubts of international lenders became evident when most of a \$2.5hn syndicated loan was left in the hands of the underwriters and when the Mexican government had to after the record interest rate of 181 per cent on a \$100m eurobond in July.

## Difficulties

Though Mexico ran a visible trade surplus of \$381m in the first five months of this year, the Bank of Mexico's external reserves took a dive because of the services deficit and a flight of capital. The corporate sector. lar if it obtains the IMF's scal devaluation put up the cost in reason to exercise patience.

MEXICO's adoption of a two- pesos of servicing its foreign

It is important to understand mark of Sr Miguel de la Polish crisis, Mexico is not in Madrid, the President-elect difficulties because its productive expectations built on an oil boom that has suffered a setback.

chief task facing Sr de la Madrid is to rebuild confidence among Mexico's creditors to bide the country over a bad patch. One obvious means would be to accept help from the Inter-national Monetary Fund. Doing so would go very much against the grain in Mexico City, where the IMF is something of a bogey

IMF support would give courage to Mexico's commercial creditors at a time when their help is hadly needed. It would also Mexican authorities to put their own house in order.

It is also proper to query the method of last Thursday's de valuation which will not apply to foreign exchange trans-actions required to pay for imports considered to be in the national interest — including some capital goods — or to the payment of interest to foreign

Two-tier exchange rates are never easy to administer in practice, and Mexico may find it harder than some others. Mexico's long-standing reluctance to impose exchange controls makes one fear the worst because it was justified with the argument that controls would be impossible to enforce A two-tier system is unlikely to be more easily enforceable. Even with skilful economic management the crisis will take

time to blow over. But given Mexico's position as a major exporter of oil, and in particusuffered severely as of approval, lenders have good

# A loophole in life assurance

UK INVESTORS once again face the possibility of losing money on life assurance contracts because of financial problems with the life companies issuing the contracts. But this time, in contrast to the mid-1970s, the companies involved are registered overseas, rather than in the UK. As a result investors are not covered by the Policyholders

Protection Act.
The market in the UK for life assurance contracts is almost wholly free of direct control by the authorities. Anyone can sell life assurance completely unsupervised provided that he does not use the title insurance broker and is not employed by a UK life

The Department of Trade prefers to keep this freedom for the seller, which life companies argue allows them to be flexible and innovative in their contract design. The DoT, meanwhile, protects the consumer by monitoring the financial viability of life companies, their advertisements and their promotional litera-

## Minimal

In pursuing the principle of free trade in services not only within the EEC but worldwide, the authorities also allow overto trade in the UK with the same freedom as their home-based counterparts. It is here that the supervising arrangements can be evaded.

The DoT cannot readily monitor the viability of overseas life companies and it appears that it does not make inquiries into their financial health. As a result investors do not enjoy the indirect protection which applies to UK com-

few intermediaries take advan- must operate in the UK through tage of this loophole in the UK-based subsidiaries, subject system to market a series of investment contracts from Gibraltar-based lufe companies. The life cover itself is minimal, just enough to get a life assurance label on what sometimes is a highly speculative invest-

ment product. The dangers in this situation are obvious. If the worst happens there is nothing the investors. The Policy Holders' Protection Act, which guarantees investors 90 per cent of benefits if the life company gets into trouble, applies only to UK life companies

The Department is under stood to be looking at the situation closely. There is clearly a need for measures to improve the protection for pur-chasers of life assurance in the

Several possibilities are open to the Department. One approach would be to rely on principle careat emptor. but to make it clear what the investor has to beware of.

The insurance division of the Department could follow the colleagues with respect to un-authorised unit trusts and virtually ban direct marketing of overseas life company con-tracts. Alternately, it could insist on much more informa-tion being provided in any promotional literature regard ing the overseas life company. Promoters would have to spell out in detail exactly what pro-

tection, if any, was provided, A more drastic option would be to introduce a complete system of licensing for all persons selling life assurance in

Professor Jim Gower, adviser to the Department of Trade, is reviewing the whole state of nvestor protection in the UK. His discussion document published in January touches on this defect in relation to overseas life companies. His proposed Securities Act with selfregulatory bodies would provide the necessary controls and protection to the consumer without interfering with the freedom of services for life companies.

## Conflict

Another solution is to insist The past months have seen a that all overseas life companies to controls by UK authorities. This is what happens in many other European and overseas countries where insurance can only be transacted through local companies. But it would conflict with the drive for free trade in services to which the Government is committed. What is clear is that there is

a serious loophole in the super-

visory arrangements and prompt

action is needed to close it.

stations and fuel factories make radioactive waste. Hospitals create it when diagnosing and treating patients with radiation. Laboratories make it when they use radioactivity as a research tool. Amersham International

industry,

nuclear power

metres of radioactively con-

taminated materials Britain is

expected to contribute one-

tenth of the national radioactive

The Government has resisted

spent by the Department of the Environment on its investiga-

tions of radioactive waste

management was carried out by

the private sector.
Radioactive waste, or rad-

waste, as it is known, is an

emotionally charged subject

with some sectors of the public.

much of whose fears can be

traced to purple passages in the

appeared, there was little dis-

cussion of radwaste as a prob-

lem in Britain, even by oppo-

nents of nuclear power or

weapons. Then came assertions

by Flowers that there should be "no commitment to a large

programme of nuclear fission

safe containment of long-lived,

highly radioactive waste for

the indefinite future."
Yet radwaste holds few

sodium cyanide, arsenic and

blue asbestos. Unlike nuclear

industrial dross

Defence waste still

'relatively small'

deadiv

Flowers report. Before

by the end of the century.

only

that the crisis that has built up is one of liquidity, unlike the economy has collapsed. The trouble lies in over-ambitious development and exaggerated alone, Britain's biggest company making radio-active products for medicine, research and industry, Under such circumstances the

waste-heap by the year 2000. political pressure to follow the advice of the Flowers report on "Nuclear power and the en-vironment" in 1976, and create a new quango "with responsi-bility for the safe disposal of all waste arisings at nuclear Yet there is a strong case for swallowing national pride. sites,"\* Instead it is energetically wooing the private sector. nuclear industry itself. Last year about a third of the £10m

The reply from Mexico would that the authorities have aiready taken matters in hand. for instance by postponing an ambitious nuclear programme, of confidence overtook inter- and by the two devaluations, national bankers, already strug. How valid that reply is remains to be seen: the budget projections do not augur too well. further supporting measures

First to announce formally a new industrial group for radwaste treatment, last month, was NEI Waste Technologies,

pooling the resources of the electro-nuclear group Northern

RADIOACTIVE WASTE

# Difficulties of a decent burial

By David Fishlock, Science Editor



## PROSPECTIVE NIREX WASTE REPOSITORIES

Land 1	Shallow burial at Drigg	Ayailable
Land 2	Engineered trench at 20-30m depth	Late-1980s
Land 3	Modified mine of purpose-built cavity at approximately 100m depth	1990
Land 4	Purpose-built repository at approxi- mately 300m depth	
Land S	Purpose-built repository at 300m  depth for heat-generating wastes	Later than 2010
Sea T	Ocean disposal using conven-	
Sea 2	Emplacement on or under deep ocean bed	Later than 2010

Courtesy: Department of the Environment

for permanent storage. However, what has now provided a welcome focus for commercial radwaste aclivities is the creation of Nirex, the Nuclear Industry Radioactive Waste Executive, Nirex, based industry's own proposal for a small directorate to co-ordinate large organisations creating radwaste. The Government year and wrote it into its White Paper on radwaste management last month.†

until it has been demonstrated beyond reasonable doubt that a Nirex-just five people at present, though this may rise to 10—is acting for the CEGB. exists to ensure the terrors for the waste disposal industry, accustomed to such next 10 years. Its chairman. Roberts, director of wastes, these poisons do not lessen in toxicity with time.

Engineering Industries, Chem reprocessed in Britain, and the arise in about 100 different Nuclear, a U.S. company versed white Paper claims that the ways throughout Britain. in nuclear waste treatment and radwaste produced by defence Some low-level waste, a few the operator of a big U.S. rad- activities is "relatively small."

reay establishment of the UK rating Board, to prepare them AEA. Its care is being left for the present in the hands of

The Government has accepted the advice of its expert Radin-Waste Management Advisory Committee that such Harwell, is the nuclear effluent should be made into glass ingots and stored at the reprocessing site for 50 years the disposal activities of four or more, until the heat it emits -2.5kw per input initially—is. no longer a problem in designaccepted the idea earlier this ing a final resting place, either deep underground or beneath the seabed.

By the end of the century it will amount to about 1 per cent by volume of the total UK rad-waste. Nevertheless, Britain is the South of Scotland Elec- expected to have accumulated the South of Scotland Elec- about 10,000 steel bottles. like tricity Board, British Nuclear about 10,000 steel hottles, like milk churns, filled with radio-fruels and the UK Atomic Energy Authority, who will share its costs, expected to amount to some £65m over the building at Sellafield. Nirex's area of operation

covers two kinds of radwaste the UK AEA's Harwell labor- that Britain is storing but, for atories, is one of the world's the most part, not disposing of yet. These are medium-level leading nuclear chemists.

yet. These are medium-level
The only hig UK reactor and low-level radwastes. At its
operator outside Nirex is the lowest level this consists of Ministry of Defence, with a trash—paper, cloth, plastics, etc score of submarine reactors. But —barely above natural levels submarine fuel is not yet being of radioactivity. Such wastes reprocessed in Britain, and the arise in about 100 different

hundred jonnes a year, is buried waste burial site at Barnwell. The most publicised forms of in 10 times as much concrete South Carolina, and Pollution radwaste, the highly-radioactive, and dumped on the seabed on Prevention Consultants of heat-generating effluent from the Atlantic, 2.5 miles deep. Crawley, specialising in toxic the reprocessing of spent This year's sea dump, managed and hazardous waste manage—nuclear fuel, is produced at by the UK AEA, began last and the waste heap is expected ment. It plans to help owners only two places in Britain: at weekend when the well- to double over the next 20 of nuclear waste heaps, such as the Sellafield (Windscale) fac- publicised Gcm sailed again for years. the Central Electricity Gene- tory of BNFL, and the Doun- a spot some 500 miles south-

uclear Industry Waste Stores

west of Land's End with a waste together in two (perhaps 2.697-tonne cargo of entombed trash slightly contaminated with plutonium. If buried on land this kind of waste requires special—and costly—provisions ensure public safety. Next year Nirex takes over

responsibility for the sea dump. Despite political pressure to abandon it, there are plans afoot to invest in a bigger ship shore facilities capable of handling bigger drums than at present. Expert advice to government from its Radioactive Waste Management Advisory Committee calls it "a desirable and safe method of disposal" and wishes to see it con-tinue. It is not possible to detect the additional radioactivity against the natural radioactive background from uranium and

radium dissolved in the sea.

However, the "London Dumping Convention" which approved the conditions under which Britain, Belgium, the Netherlands and Switzerland sea-dump their low-level radwaste will re-examine the issue

By the end of the century, Nirex is expected to have sea dumped some 30,000 cubic metres of low-level waste. This will leave it with 70,000 cubic concrete trenches at Drigg in Cumbria. The medium-level waste is accumulating in concrete vaults and silos at nuclear sites. Together they amount to some 35,000 cubic metres today.

three) new facilities needed in less than a decade. The first will be an "engineered trench." simple in concept but designed for the purpose of storing low-level waste untainted hy plutonium, at a depth of 20-30 metres. This will be needed by the late-1980s, from 1986 onwards.

A much bigger investment be a modified mine or specially excavated repository about 100 metres deep, similar to the sait mines of Asse near Hanover where much low- and medium-level German nuclear waste is buried. It needed by 1990. Mr Maurice Ginniff, who manages Nirex. thinks such a project could cost as much as £40m at today's prices-once he has found a Mr Ginniff has no illusions

about it being easy to find radwaste repository sites. A national campaign by environmentalists opposing geological testing (boreholes) made that plain. If he is to cope with the estimated outpourings of radwaste he will need to apply for planning permission for both repositories in the next year or

Should the sea dump be abandoned, however, Britain years, in strip down the familiar metres to dispose of on land.

The rest of the low-level waste would need to excavate a still now being buried in shallow more elaborate repository at a almost a symbol of nuclear increte trenches at Drigg in depth of about 300 metres, to power in Britain—and concrete taminated wastes.

its radwaste problem today by new repositories, shipping it all to Harwell. "Nuclear Power and

deposits on which Harwell stands. But this could leave the nuclear industry vulnerable to the charge that it was simply letting its poisons pile up in its own backyard, Mr. Ginniff says. Instead, he has started talking to industrial waste operators about the sites already licensed

nuclear sites—such as the clay

for toxic and hazardous wastes, For example, NEI Waste Technologies, through its associates Pollution Prevention Consultants, has information on some 200 such sites for which the company has negotiated a licence on behalf of their

The new radwasie repositories, although owned by Nirex, may be built and operaied by the private sector. Mr John Bennett, director of NEI Waste Technologies, talks of offering a contract service to Nirex in operating the sites based on the "cradle-to-grave experience of its Chem Nuclear associates in the U.S., and with a new repository designed for Taiwan.

Other opportunities opening for the private sector lie in the retrieval, treatment and preparation for burial of the radwaste now in store around Britain.

New techniques are being developed in Britain for packaging radwaste solids and sludges in cement or plastics, to facilitate transport and burial. At Dounreay, the UK AEA has demonstrated what can be done with sophisticated methods of on-site storage. whereby a computer-controlled robot will retrieve any specified drum of waste from its vault.

The national radwaste estimates compiled by the Department of the Environment

## End of the pearshaped plant

not include figures for reactors which have been dis-mantled. The CEGB has begun to plan for the day when it will start dismantling its first nuclear stations. It has just published an estimated cost range of £150m-£270m to raze a Magnox etation to the ground. depending on how quickly it is asked to do it.

No redio-active debris from Magnov reactors is likely to reach the national inventory of UK AEA has just begun a project aimed at dismantling its 33 Nw protorype gas-cooled reactor at Sellafield, to help develop rechniques for the commercial reactors.

The plan is, over the next 10 pear-shaped power plant plutonium-con- the radioartive debris from its iminated wastes. reactor into about 300 packages.
Where may sites be found in each an 8 ft cube. Nires will then Britain for such repositories? land the 10b of hurring the Amersham International solves remains, either at sea or in its

o double over the next 20 shipping it all to Harwell. \*\*\*Construction of the Environment.\*\*

One possibility is to develop the Environment.\*\*

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Nirex's job is to bring this new facilities on existing the Environment.\*\*

# Men & Matters

## Back room boys

Whitehall's quest for efficiency is continuing apace. A new study has been authorised into the organisation of the government's sprawling economic service. And the Treasury is cut-ting back on staff; another senior industrial policy post is to disappear.

The link between the two

moves is Peter Davies, aged 55, former financial journalist on the News Chronicle and The who turned Treasury official ten years ago. Next month he is leaving his post as secretary to the National Economic Development Office to spend a year on sabbatical at Bonn's card
Downing College. Cambridge.

There he will be studying the organisation and role of the economic service which first mushroomed in the 1960s and now has some 400 economists scattered round various government departments-including of it is headed by Terry Burns, the government's chief economic

While some people might expect Davies to propose the abo- Reuters in Bonn for bringing lition of the economic service because of its alleged failure to deliver the goods during 20 years of national economic decline his actual target will be more realistic. That is to say it will be less ambitious.

He will be looking into the ways different government departments use-or do not use -their economists, and how effectively or otherwise they operate. "To some departments they are in back rooms while cisewhere they perform a more important role," he says. Some critics argue that Whitehall's back rooms are scarcely likely to attract the best brains in the

The study is Davies's own idea. But it is being welcomed by the Treasury which will watch with interest—even fascination-to see whether Davies proposes staffing cuts. Meanwhile, Davies will be Dixon, who, like Davies is a taken him to all corners of the room for each passenger.' former press secretary to Denis world. Healey at the Treasury. Dixon's present post as one

of two Treasury under secre-laries working on industrial policy is being abolished. Last month it was the top second permanent secretary's lob inthis area of the Treasury that vanished when Sir William Ryrie moved to head the Overseas Development Administra-

The Treasury word on the job cuts is that industrial policy is not being downgraded - just streamlined for more efficiency.

In the spring-on April 1 to be exact — the Frankfurter Allgemeine Zeitung newspaper reported that the ageing but active West German diplomatist Dr Edmund F. Draecker had pulled off yet another coup. He had hoisted the West German course the Treasury itself where flag on an Antarctic iceberg of strategic importance claiming it for Bonn in accordance with international law. I thank Dorothee Jung of

> this news item up to date. Months passed without reaction: then East Berlin woke up. official East German foreign affairs weekly Horizon has now used the April 1 report as a basis to attack Bonn's Antarctic policy. Draecker is quoted as revealing that West Germany is out to gain sovereign rights by exploiting deficiencies in the Antarctic treaty. It goes on to tell of "the fear felt by imperialistic monopolies of losing out on the rich mineral fields buried deep start a twice-weckly service under the ice."

> nder the ice." between Gatwick Airport,
> Diplomatic incident? Not London and New York. corridors of power with travellers.

followed at Neddy by Peter lar assignments which have service and six inches more leg

The hoax was conceived in 1936 by Hasso van Etzdorf, now a retired ambassador and then a young attache in the Rome embassy. The sudden "arrival" of Draecker was used as an excuse to rush to the nearest bar and sip a cool beer to escape the tedium of long meetings and unwelcome visitors.
After World War II Draecker was formally de-Nazified, and an ever-widening circle of diplomats began to flesh out the myth.

A Bonn spokesman. Klaus Boelling, says Draecker has now gone on a widening" tour of tour of East Ger-

## Easy riders

British Atlantic Airways, Britain's newest airline, is rapidly developing a taste for attempting things other airlines have never tried. First there was the Falklands

British Atlantic's managing director, Mr Randolph Fields, in a formal application to the Civil Aviation Authority in June. The serious shortcomings of take the airline's proposed

DC-10 together with the lack of

money to buy the DC-10, for

the moment at least, have not

air service. That was proposed

out off Mr Fields and his staff of part-time planners. The airline's second attempt at a unique service was launched yesterday with an application to the CAA. This time British Atlantic wants to

quite: West German official The novelty of the service is circles are rolling around their that it will be only for business The novelty of the service is travellers. "It's a one price, one class service." the airline The good Dr Draecker is one said yesterday. The proposed of the longest-running spoofs in fare is £250 single, about 10 per diplomatic history. Now aged cent higher than economy fares 94 — had he ever existed — he on other airlines. The main is credited with many spectacu- difference will be "better

Some drinks will be free but we do not plan to offer a free drink every five minutes," Captain Alan Hellary, the

operations director, said. But in Mr Fields they have a doughty campaigner. He claims to have organised, when he was 18, the first strike in London Zoo-it was among the ice-cream salesmen, not the

# Standing up

Here's a question for those who are hired to spot future profit-makers. Between five and 10 years ago did you send a memo to the boss saying that people of all ages would be so keen to stand up on beach surf boards and propel them with sails that a £120m a year worldwide business would exist by mid-1982?

Growth in the pastime has been explosive. 300,000 sailboards will be sold worldwide. And British sales of some 15,000 will keep many a former sailing dinghy business However, it is a Swedish

businessman who used to deal in office equipment who is now no runway at Port Stanley able claiming to be leading the British market with expected sales of some 3,500 boards and a £1m turnover this year. Goran Nyman is a super-fit 49-year-old who always looks ready to break into a trot. He is the UK senior board sailing

> business depends upon distributing a West German-made board called the Sailboard. After hitting his first £1m turnover year he is forecasting £2m turnover next year.
> That is if the whole pastime does not suddenly go the way of Hula Hoops and Skateboards. Inclusion of board racing in the

next Olympic Games is good

insurance against a collanse.

champion currently, and his

Ubserver



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By Richard Lambert in New York

THE WORLD is on the brink of a new era of drug research and development, according to Merck and Co., one of the largest U.S. pharmaceutical companies. In the words of Dr Roy Vagelos, who runs Merck's research effort: "I believe science has never offered opportunities that equal those now at hand for developing drugs to cure or prevent many of the most serious and widespread diseases that afflict humanity."

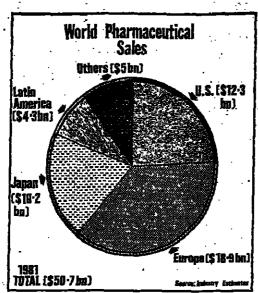
Even for a layman, there is an atmosphere of barely supressed buste and excitement at Merck's New Jersey research base. In the next few years, the company will be bringing out a string of new products that will, secording to Mr John Horan, the chairman and chief executive, sustain a faster rate of growth in sales and earnings in the 1980s than that seen in the last five to ten years. Merck's net income last year was just less than \$400m, up from \$151m

Behind this optimism lies a substantially increased investmen, in research and a whole new approach to the design and development of drugs. Through the 1970s, the company's research expense averaged around 8.5 per cent of sales. This year it is expected to rise by around a fifth to \$338mapproaching 11 per cent of sales. And the leading edge of all this investment has been switched from chemistry to the life

The stakes are high-and so are the potential rewards. A successful product can generate sales around the world of well over \$100m a year. Tagamet, a duct rose fourfold over the treatment for stomach ulcers, made by Smith Kline, was the top revenue-earner last year with sales in the major international markets topping \$640m. Merck's biggest selling product is Aldomet, a drug for treatment of high blood pressure. Its sales in major world markets are put by analysts at \$278m a year, of which some \$140m are thought

to be in the U.S.

But the risks which also face the industry have been underlined by the British authorities'



Mr John Horan (right) Merck's chairman: "We want enough size and strength to lead the way"

U.S. sales of the product.

Many of the breakthrough advances on which modern pharmaceutical science is based came in the period following World War II. "It was a golden era," says Mr Horan—and one in which the innovations were led by chemists.

But in the late 1960s the productivity of research in the drug industry in general and Merck in particular began to fall off alarmingly. The cost of developing a new drug entity in the U.S. jumped from an estimated \$1.3m in 1960 to \$24m in 1970 and around \$50m by 1980. And the average time span for producing a new pro-

period, from two to eight years. A number of big drug companies began to diversify into other, more immediately rewarding fields. Merck stuck with its traditional businesses, but by the time Mr Horan took over in 1976, some analysis were saying that the company's ageing drug portfolio and unproductive research effort were spelling big trouble for the future.

Yet there was also developing over this period in the universi-ties and research institutes a recent decision to suspend sales significant growth in the areas of Opren (sold as Oraflex in the of life science and biological U.S.). an anti-inflammatory knowledge. One of Mr Horan's drug produced by Eli Lilly, first moves was to appoint an pending a review by the Com- outsider as director of research mittee on the Safety of for Merck—Dr Vagelos, a dis-Medicines. The company sub-tinguished biologist and physi-

sequently decided to suspend cian from Washington University. That accelerated a major shift in the disciplines governing Merck's research programme—and one which has been paralleled in other big drug companies.

According to Mr David MacCallum of stockbrokers Paine Webber, the switch in emphasis towards the life sciences represents a very significant change in direction for the world's pharmaceutical industry. He says that Merck is by far the strongest company in the U.S. sector, and is leading the competition in this respect. In the earlier years, according to Mr Horan, "Research was to a significant extent a hit or miss affair. You'd find a model in which disease could be simulated like that in man: a large part of the process was actually made up of inducing the disease. Then you would screen literally hundreds of thousands of chemical com-

was based on intuition." But now research has become much more rational offair. Today we can define disease more accurately, having much more knowledge about what happens in the body," says Mr

pounds to see their effect. The

only real direction came from

the chemist's nose, and to a

significant extent the process

Dr Vagelos explains that blochemistry has shown how all now bulding a major centre for reactions occurring in the body basic research just outside

are catalysed and controlled by

proteins called enzymes. Scientists seek to discover reactions in the body which, by being abnormal, could be responsible for causing a particular disease. Having done that, they look for a drug to slow down or stop the activity of the enzyme that is involved in the reaction.

Along with an increased understanding of the life sciences have come enormous advances in instruments and measuring systems, which have put powerful new tools into the hands of the researchers— worlds apart from anything that was available until recently. Mr Horan cites particularly new uses for computers, and computer imaging for studying biological sequences.

A computer aided design system allows Merck's researchers to study molecules from different angles on a terminal screen, and check their likely reaction to new drugs. In another part of the building, analysts use computers to help break chemical compounds down to their most infinitesimal parts. This approach to research is

extremely expensive. "Once you have the right people and the investment to support them, you can guarantee higher research productivity." says Dr. Vacelos. Buy notither come. Vagelos. But neither come

For instance, the company is

This will concentrate exclu-cell in order to communicate sively on the neurosciences— with another. These transmit-the study of the brain and ters slot into specific receptors nervous systems—an area where on the cells which they are to UK researchers are among the influence-and both transmitworld's leaders. The facility will cost more than £25m to build, and will employ over 200 skilled people. Yet according to Mr Horan, "we won't get any products out of that research for at least a decade, unless we

are extraordinarily lucky."
Only the very largest companies have the resources to put such large sums at risk for such a long development effort. In the old days, says Mr Horan, a small pharmaceutical business could do some chemical screening and with a lot of luck it might just hit the jackpot. But today it could not hope to com-

pete effective**ly.** Just about the only area where small companies might make a mark is in DNA technology, where they tend to concentrate on a very narrow field and work on a high risk, venture capital basis. But to maintain broadly-based research programme is quite another matter.

Since pharmaceutical research is becoming both more expensive and more productive. Mr Horan sees a clear logic in the way that a number of very large companies have recently moved into the market. Procter and Gamble is an obvious example with its recent acquisition in the U.S. of the Morton-Norwich pharmaceutical busi-ness for \$371m. Mr Horan also cites the efforts of Du Pont and Dow Chemical to make a bigger splash in the drugs business and the emergence of powerful European forces like Ciba Geigy. Merck itself has been investing at a hectic pace to update its existing product range and to broaden the base of its drugs business from its existing strengths in antihypertensive, cadiovascular and anti-

inflammatory products. The long term pay-off is the neurosciences as "a breakto lead the way with new products.

linked with each other by means under development should start of what are called transmitter to have an important impact in substances, which are com-

Harlow New Town in the UK pounds that are released by one ters and receptors are seen as targets for drug discovery. Dr Vagelos says that all the neurological diseases—like depression, dementia, or loss of memory—are caused by chemi-cal abberations of one kind or another-and it is only a matter

> tackled, Most existing drugs for such ailments modify the symptoms but do not cure the disease. Merck believes that all this will change in the foreseable future. This new era of drug discovery comes at a time when the U.S. authorities are taking a more accommodating line

towards new products. Mr Horan says that the U.S. reached point a few years ago when became obvious that the bureaucratic process had become so cumbersome that it was no longer serving the public

## **WORLD'S TOP 10** ethical and over-the-counter sales

W. Germany Ciba-Geigy Switzerland American Home U.S. Eli Lilly

Source: Industry estimates

interest. But there has now been a reaction against this, and the Food and Drug Administration has significantly improved the promptness of its testing. Merck expects that the major

drugs of the next 20 years will expected to be substantial. For come mainly from the biomediexample. Mr Horan describes cal sciences-biochemistry; the neurosciences; immunology; ing field in pharmaceutical microbiology; and molecular research: we want to get in biology, which includes genetic with enough size and strength engineering. So far only a handful of drugs developed under products."

these disciplines have actually Research in this area has reached the market place. But shown that human cells are a growing pipeline of products

# Lombard

# A casualty of the Beirut war

By James Buchan in Bonn

the longest of its wars, not the least has been the regard in which it is held by West Germans. Between a remorseful Ger-

many and an unforgiving Israel, there could never be a of time before they can be healthy relationship. In the period after World War II. Germans saw the debt they felt to Jewry as a debt to the young Jewish state. Israel was untouchable and its special status was as much a part of the post-war German world view as the renunciation of war itself.

> Israel's achievements development struck a responsive chord in a reconstructed Germany. Yet the image that preceded and survived the 1967 Arab-Israeli war, of a tiny state, terrier-like in its defence, gradually gave way in the minds of many Germans to the "strong man armed" that was the Old Testament's judgment on doomed Assyria.

## Burden

German reparations and German support continued, but since Mr Menabem Begin came to power in the late 1970s, the relationship has been unpleasant to witness. Any hint of German backsliding has been met with Israeli verbal blackmail or savage personal abuse of Chancellor Helmut Schmidt. What has happened since

June 4 has been little short of declaration of a new German independence attitude.

At one, perhaps subconscious, level, many Germans feel that Israel's war, and the television pictures of Beirut burning night after night, are releasing them from a part of their burden of guilt.

Last week's edition of Die Zeit compared Beirut not to Dresden or Cologne, destroyed by the RAF, but Coventry, bombed by the Luftwaffe. Throughout the West German press, with the notable exception of Herr Axel Springer's newspapers, there has been a new tone of agonised debate. The German press has been

Of Israel's casualties in this much less willing to take Israel at its own estimation.
Words like "annihilation" or
"genocide" have been used,
to the horror of Israeli officials.

At government level, little is changed, as the Israelis rightly

## Concept

During the Falklands crisis. Bonn repeatedly stressed a con-cept known as rerhaeltnismass sigkeit in the hope of restraining British military action in a war Germany loathed and found hard to understand. The concept means "use of force commensurate with the threat." On the Queen's birthday, I asked a friend at the Chancellery if the concept applied to Israel's actions. "I am afraid not." he said. "We have to operate a double standard."

On June 13. Herr Hans Dietrich Genscher, the foreign minister, called for the restorawhich is what the Israelis say they are trying to achieve. As for the Palestinians, the most recent official comment was that they should have some "future perspective" which might mean as little as that they should not all be killed.

"There is clearly a problem of rerhaeltnismaessigkeit here." another official said to me. " But it is not for the German Govern-ment to speak on it."

## Sadness

In their despair, Israeli officials have had to rely on Herr Springer, for whom the compen-sation of Israel is a central tenet. Die Welt, the most solid of his newspapers, recently led its edition with an interview with a former Israeli ambassador to Bonn who noted with sadness an upsurge of "anti-semitism and anti-jewish feeling" in Germany since the beginning of the war. The charge is losing its sting.

This is not anti-semitism," Die Zeit retorted. "Even Germans are not required to rejoice in

# Letters to the Editor

# Property values and jobs in enterprise zones

support alone.

From Mr A. Hollway.

Sir,-It is foolbardy for the Government to double the number of enterprise zones be-fore it knows if they work. There hasn't yet been time for its agent, Roger Tym and Partners, which is monitoring the earlier EZs to report their

It would be a gross waste of the country's resources to increase expenditure on EZs while there is controversy and mounting evidence of their ill effects on the surrounding communi-

Who is going to invest in these areas surrounding the EZs when within a few miles one is able to obtain the EZ benefits. including property free of rates. for the next 10 years? .

Already there is evidence of boundary hopping." In Swansea EZ 471 per cent of new firms are re-locations, in Traf-ford 55 per cent. In the latter, the re-location distance averaging less than five miles.

This will lead to commercial property in the surrounding areas becoming blighted and suffer increasing dereliction. It is likely these areas will become the industrial slums of the future, as firms in these areas will also suffer unfair competition from firms in the EZ.

If the EZ legislation produced more jobs, one might be able to justify the unpleasant sideeffects, but in the present flat market with little increase in activity it is doubtful if many new jobs are created, which wouldn't have been created anyway or which aren't subsequently lost in existing firms through having to face unfair competition and/or redundancy due to financing the EZ benefits.

Also the cost per job "gained" perty rents and unfair competiis more expensive than at first tion caused by the local zone. sight. Clydebank EZ has produced 1,500 jobs costing £1.7m prise, zones are, the more this year in rate support alone damaging are the consequences -that is, £1,133 per job-but for businesses on the periphery. when you take into account that The Trafford EZ was designated this has to be paid each year on August 12 1981, and results for the next 10 years, it becomes of the first year's activities £18,058 per job (compounded reveal a complete distortion of at 10 per cent inflation). If we property values, rents and the are charitable and assume that half these new jobs are genuine new jobs, it is costing the these Government subsidised country £36,116 per job in rate businesses inside.

When you add to the above. all the costs of providing the infrastructure of EZs like admin, buildings, roads and main services (note Corby EZ has spent £4.9m on infrastructure this year): plus the cost of transferring people and firms from one location to another, the cost per job gained by the EZ package becomes

astronomically expensive. . If one is sceptical and considers that very few genuine new jobs are created by EZs then the cost per job is beyond calculation! W. F. Hollway and Bro., 42 Grafton Street,

Liverpool 8,

From Mr M. Brookfield Sir,--I read with interest Anthony Moreton's article Response to enterprise zones experiment pleases Government" (July 28).

As managing director of a company based in Trafford Park, I am daily reminded by business men located outside the Trafford zone of reduced 17. Coppice Avenue, property values, depressed pro- Sale, Cheshire.

An unattractive monster

From Mr J. English
Sir.—If the baby has warts, don't treat the warts-kill the The more successful enterhas its blemishes, but is infanticide the only answer? Before Institute of Chartered Accountants gets around to its next quinquennial attack upon the baby, should we not perhaps he concentrating more upon viewing the alternatives, rather ability of distributive firms on

There are two alternatives, but only one is "available." the outside to compete with Current purchasing power is far monster, which was duly in-stalled in the sleeping baby's

nursery, involved in distributive busisavings up to 38 per cent, for To move into a zone there is and to clothe the CCA monster.

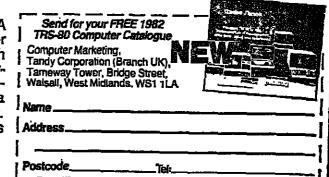
They did so.

capital gains tax are clumsy. unfair, and generally dreadful. But they at least give some relief, and with half-a-loaf being better than no bread, I prefer them to the old system. I don't love them, but I prefer them. Opposing them just because they are "not perfect" smacks more of petulance than of intelligence. CCA is not perfect but it is better than historical

accounting.
I don't like the monster, but I prefer it, warts and all, to going back to the dark ages.



TRS-80™ 48K 2-Disk Model III Microcomputer. A complete business system with a full 48,000 character memory. Everything - including two disk drives with 306,000 characters of storage, typewriter-style key-board and 12" video display - is built into the con-temporary-type one-piece cabinet. Also included are a 12-key numeric pad, repeating keys and printer port. The Model III can retrieve information and print reports the way you want them! 26-1066



# **COMPUTER CENTRES**

TANDY COMPUTER CENTRES AND AUTHORISED COMPUTER DEALERS Abergele ● Ashford ● Bangor ● Birmingham ● Blandford Forum ● Bradford ● Bristol ● Brixham Cambridge ● Cork ● Croydon ● Dublin ● Edinburgh ● Farce Isles ● Glasgow ● Guildford ● Hadleigh Liverpool ● London ● Manchester ● Nottingham ● Southampton ● St. Helens ● St. Helier (Jersey)

OVER 290 STORES AND DEALERSHIPS NATIONWIDE Known as Radio Shack in the USA Check your phone book for the **Tandy** Store or Dealer nearest you prices may vary at individual stores.

## Whisky industry not gloomy -

From the Chairman, Information Committee. Scotch Whisky Association

Sir,-Your Diarist's "man who monitors the facts and figures perfaming to British drinking." (August 3) accuses the liquor trade of talking itself into a mood of despondency. This is certainly not true of the Scotch whisky industry although it might be thought that your Diarist and his man do the job for us when they insist on drawing sweeping conchisions from one month's Customs and Excise

It really is time your man learned that one cannot draw mergers realistic and worthwhile conclusions on the basis of one Sir.—While prepare

month's figures. It is time too that he put his facts in perspective. He states that January re-leases of Scotch whisky were 40 per cent down compared with January 1981. He does not say. however, that withdrawals for

17 Half Moon Street,, W.1.

January 1981 were exceptionally heavy-54 per cent up on the previous January-or that January 1982 figures were 53 per cent higher than those for January 1979. Could we remind him that 1979 was our best year in the home market in living memory. Donald Mackinlay

Promote union

mergers? The recent rail dispute has

our still far too fragmented union structure afresh. Competing countries, moreover,

cular case does not lend itself to legislative treatment, then let the Government, TUC and CBI join forces to devise other more suitable means of knocking recalcitrant heads together.

his second trade union reform Bill through the present Parlia-ment, couldn't tireless Mr. The new provisions for the Tebbit spare a thought for the indexation of base values for ment, couldn't tireless Mr Tebbit spare a thought for the pressing need to promote union

nesses. Occupation inside can mean for a distributive business

some 23 per cent to 30 per cent

less overheads, and capital cost

those building their own depot.

no need to guarantee any new

jobs, be involved in an infant

industry or serve any useful

You are free to just boundary

hop and collect all the rate and

tax benefits, and exemption

from industrial training levies.

M. Brookfield.

demonstrated the weakness of seem none the worse off for having unions organised on an industry-wide basis. Alternatively, if this parti-

Sir. While preparing to pilot 12, Arden Road, Finchley, N3. Bournemouth.

Current cost accounting than just gazing at the warts?

superior to CCA, but is no longer "available." CPP was The local zone developers' rentals are free of any rate devised by the accountants, but additions, because of this prothe Government of the day, ter perty owners on the outside are rified at the prospect of CPP forced to reduce their rentals blowing the gaff and exposing historical accounting for the by 45 per cent to compete on equal terms. This has resulted in a collapse of property values and therefore assets by 30 to fraud which it is, smothered it by setting-up Sandilands, which put off the day of enlightenment hopefully for ever but at least until after the next Election. Sandilands, supported by "busi-50 per cent. Some rentals are now little more than a £1 a square foot for locally developed brand new quality con-structed units outside the zones. nessmen " and academics rather than just by practical account-ants, in due course sired his Of the 800 proposed jobs in the zone and the 45 new and relocated firms the majority are

The accountancy profession was then "invited" by the Government to make the monster some clothes, but with strict instructions that they were not to try to strangle the monster and to re-awaken the baby-they were to strangle CPP

It is not an attractive monhurpose in the local economy, ster, but it is still better than the only other alternative, historical accounting. CPP was murdered on Government instructions. but historical accounting lingers on, suckled by an ancient breast in the heights of Burgess Hill. Historical accounting is the only available alternative, diabolical as it may be in what we must

Jeffery English.
Willis Parsons English and Co. Sun Alliance House, Dean Park Crescent.

F.T. (

and Get They' week. claimed partmen suggeste Jabiluka prospect has been tic to sa It was Australia uranjum priced at prices ar this in . like rem: vears to Jabiluk tracts at was unab in the su Pancontin orisingly. abiluka's cinting 2 a posit ecurity: rategic 1 While ıbiluka

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ers in ırket. Significa

itinenta. ich of Europ nevitabl possib

# Carrington Viyella reduces losses

FOR THE first half of 1982, pretax losses of Carrington Viyella. manufacturer. were reduced from £3.02m to £2.63m, on lower sales of £119.48m, compared with £129.93m.

charges of £3.91m rate movements. (£4.19m) and share of associates' losses of £712,000 (£399,000 The Canadian asso-Consoltex, has suffered substantial losses in 1982 reflect-Canada. At the trading level, group profits rose from £767,000 to £1.99m.

All the group's UK divisions made a positive advance over 1981 and in total, improved their operating result by £1.9m in an unhelpful environment. After reduction in the number of UK

UK sales were maintained at the same level as last year.

The sterling profit contribution from the 50 per cent owned South African subsidiary was The result was struck after adversely affected by exchange

tinues to make the short term outlook uncertain, although the company is maintaining progress by improving both the cost base ing intense trading difficulties and productivity through its rationalisation programme. An extraordinary debit £623,000 (£963.00 credit) for the

half year was the result further rationalisation taken in the period. Over the last six months, there has been a further employees from 15,200 at the nor (South Africa) and the end of December 1981 to 13,600 knifting division. which were with £3.17m. Stated loss per 25p

The Lex column today concentrates on corporate failure. AEG Telefunken has now filed for partial bankruptcy under a plan which will require the banks to write off 60 per cent of their loans. On a rather smaller scale the British engineering company Newman Industries is being rescued by an emergency equity injection. Something with which the hard pressed Carrington Vivella, whose first half figures are also discussed, could well do. Finally the column looks briefly at yesterday's events in the financial markets.

at the end of June 1982. At June 30 the group still carried a substantial provision for ongoing rationalisation. Tax charge decreased from £1.11m to £913,000. After minorities and extraordinary items, the attributable deficit

came out at £4.71m, compared

share was marginally lower at 2.39p, against 2.41p.
There is again no interim dividend. The last payments, totalling 1.1p net, were in respect of 1979. In current cost terms. first half pre-tax losses were £6.02m

smaller wage bill. With another

## Barclays pays £4m for Irish bank

By Our Banking Correspondent Barclays Bank International (BBI) has bought the Commercial Banking Company, a private Irish bank, for a sum believed to

be in the region of £4m.

BBI has been in Ireland for four years and the acquisition of the Irish bank, which has six branches, and assets of around TREADm will strengthen its Dosition significantly in the Republic. where it is underepresented by comparison with some of the other UK clearing banks.

The Comercial Banking Company was founded in 1893 and has concentrated on servicing small depositors and small businessmen. PMPA, the Irish insurance company, which is the biggest shareholder in the bank, is believed to have been unde some pressure to either reduce or dispose of its stake.

BBI said yesterday that it had received shareholders' approval to acquire full ownership of the bank and the Central Bank of Ireland had also given its approval to the transaction.

Mr Robert Maw, BBI's general manager in Ireland, said that the Comercial Banking Company will continue to operate through its six branches as a separate bank. but as a full member of the Barclays Bank Group. "We plan to expand its activities throughout the Republic, particularly into the medium-term business market with emphasis on import/ export trade," said Mr Maw.

## CONDER INTERNATIONAL

Conder International has asked us to point out that no question of safety has ever been raised in relation to its highly sful and innovative Kings worthy multi-storey buildings which received the Queen's Award for Technology in 1981. There are more than 1,000 such buildings in daily use and the comment regarding them in Saturday's report of the group's

## unfounded. BLUNDELL

The recent rights issue by Blundeli-Permoglaze has been accepted in respect of 88 per cent of the 1.415m shares offered. The balance of the shares have been

# Manchester Ship in £1.9m loss after £2.4m severance payments

WITH OPERATING income for the first half of 1982 marginally higher at £11.9m, against £11.76m, the company should consolidate the beginnings of its recovery the second six months. pany returned a profit, before exceptional items and tax, of £0.65m, compared with a loss of

However, after charging excep-tional expenditure of £2.51m (£1.32m), there was a pre-tax deficit of £1.86m, compared with £2.69m last time. Voluntary severance payments, towards the cost of which no special help is received from the Government, amounted to £2.4m (£1.69m). sales of land. Interest, h Since the beginning of the year took £338,000 (£296,000).

some 400 employees have either left the company's service or are in the process of leaving. While the hoard does not anticipate any further heavy severance pay-ments for the time being, it says the company continues to carry unaided the burden of costs associated with the land drainage of a considerable part of the north west of England.

during the second six months. Meanwhile, there is again no interim dividend. Pre-tax loss for 1981 totalled £2.42m—no final Operating loss for the gix months dropped from £2.1m to £413,900. This was before credit-

ing net rents received of £697,000 income of £512,000 (£426,000) and profit of £192,000 (£3,000) on sales of land. Interest, however, There was again no tax. With £30,000 (£27,000) set aside for redemption of loan capital, an transferred from general reserve. Stated loss per £1 share decreased

comment

from 71.7p to 49.5p.

400 workers to go, about £3m more should flow into profits before exceptional items. Manchester's core business remains grim and the company working hard to transform itself into more of a property group. Backing up these efforts are its property assets which are now on the books at about £21m or nearly 10 times the company's market capitalisation these days. In order to close that gap, it is considering the development of a prime inner-Manchester site and the further development of amount of £1.89m (£2.72m) was an enterprise zone in its area. The prospects of a return to profits next year put 10p on the shares, but at 72p, they

adequately reflect the market's smaller hesitance about the new direction operating loss for the six months Manchester is sailing in.

# Murray Inv. Trusts expansion

FOR THE six months to June 30 Investment Trust ahead from £987,220 to f1.11m. The net interim dividend as already announced has been held at 0.6p. Net asset value per ordinary

and "B" ordinary share is given as falling from 117.7p at the end of 1981 to 110.3p at June 30. Half-year stated earnings per share were estimated at 2.70 compared with 2.55p at the end

The first six months of the financial year have been very active, say the directors, as indicated in the last annual

In the implementation of this ferred from the UK portfolio and £35m from the Japanese portfolio. Most of this money, together with additional borrowings has been invested in U.S. bonds, they say.

the investment policy has been based on the premise that inflation in the U.S. will be lower than is presently expected, and that the high real rates of interest available in U.S. bonds will fall, with consequent signifi-Most of the bonds that have been bought are long dated U.S.

When there is clear evidence say the directors, that U.S. interest rates have fallen on a long-term basis, so that prospects for industrial companies are improved, part of these funds will be reinvested in equities so report, greater emphasis was that the percentage of share-placed on the U.S. where the outlook is thought to belter than to about 100 per cent from the current figure of 88 per cent of equity shareholders' interest. In the last full year a total divided of 25p was paid from net

profits of £2.02m. profits of £2.02m.

Taxable profits of £1.93m
against £1.66m for the first half
of the current year were struck
after dividends and interest of

The directors point out that £2.93m compared with £2.27m and increased expenses of £992,840 (£616,667). Tax for the period took £826,015 (£663,277). A rise in net earnings was

shown by Murray Caledonian Investment Trust from £1.29m to £2.31m for the 12 months to June 30 1982. A final dividend of 2,7p. against 1.5p previously, increased the net total from 2.5p to 4.2p. The directors intend to recom mend total dividends for the next financial year of not less than 5.5p, including an interim of 2p (1.5p).

Net asset value per ordinary and B ordinary share was given as slipping from 106.4p to 94.8p. Earnings per ordinary 25p ahead from 2.33p to 4.19p and from 2.27p to 4.09p assuming full conversion of B ordinary shares. Net asset value per ordinary and B ordinary is shown as 94.8p (106.4p).

Total revenue for the year rose from £2.95m to £4.77m. Tax took more at £1.48m (£321,058).

# sees some advance

PRE-TAX profits at Relyon Group were down from £1.02m to £774,000 in the half-year to June 30, 1982, Sales of this manufacturer of mattresses and divans dropped from £7.06m to £6.29m The interim dividend is effectively maintained at 1.67p-last year's adjusted total was 4.375p

Mr H. Brockenshaw, the chair man says that although given the substantial fall in demand experienced by the industry earlier this year, he is certainly not disappointed by the company's performance under these

Looking to the remainder of the year, he is confident that it will achieve a marked improve-ment in the second half.

The first-half trading sumplus was lower at £1.01m against £1.21m, and the pre-tax figure was struck after depreciation of £226,000 against £178,000, and loan stock interest of £10,000 (come)

Tax was down from £530,000 to £402,000, leaving £372,000 against £490,000 Earnings per 25p share were lower at 3.78p (4.98p). Dividends absorb £164.000

On a CCA basis, pre-tax profits

# Current year outlook for NMC Invts.

Mr N, H. Marshall, the chair man of NMC Investments, says he is optimistic about the company's future, provided profita-bility of British industry recovers so that adequate returns are available on risk

He adds, in his review for the year to March 31 1982, that although he does not expect the Government to adopt an overt policy of direct stimulation to the UK economy, he does expect interest rates and inflation to move lower over the next year and opportunities available to small, well managed and soundly financed companies to increase.

He points out that the group's packaging companies have achieved real growth during the current recession and that he the recent rights issue to make a "substantial" contribution to

tainer manufacturer and invest-ment concern, announced that it was seeking to raise £0.5m by a one-for-one rights issue at 121p earlier this month. East Rand Consolidated, which owns 46.46 per cent of the group, indicated that it would probably take up its full entitlement. As reported on August 4 NMC

£10,020 to profits of £23,815 for the year to end-March 1982.

lts consolidated balance-sheet shows shareholders' funds at anarendries lands at 1769.233 (£828,668). Net current assets increased by £50.532 (£141,922). Meeting will be held at 25-35 City Road, EC, on September 2, et noon,

# Relyon dips but chief Road haulage improves and TDG passes £8m midway

Transport Development Group redundancy costs of £283,006 for the half-year to June 39, 1982, compared with £238,000. Turnover of this holding company engaged in road transport, warehousing, distribution, cold storage, export packing, export industrial removals, plant hire exhibitions and manufacture of steel reinforcement, rose from

£131.57m to £164.28m. The interim dividend is unchanged at 1.45p net—last year's total was 4.25p from pre-tax profits of £16.02m. The directors say that in the UK, road haulage — usually an early endicator of economic change—has shown an improve-

ment despite a set-back during the harsh weather at the start of the year.

Although storage continued to decline, a number of stores now report increased activity. The re-

nforcement companies could not avoid problems of the steel industry, but maintained market share and made a profit. The exhibition companies, after a loss last year, also made a small profit say the directors. Overseas companies provided strong support.

They say improvement overall in the second half is dependent

on present trends continuing.

The halftime pre-tax figure was truck after depreciation up from the seasonal nature of the reinstance.

America, real benefit has yet to giving a p/e of about 11.5.

A RISE from 57.16m to 58.01m in £8.95m to £10.29m, interest come through from these acquired pre-tax profits as reported by charges of £2.67m (£1.2m) and tions.

Tax took £3.82m against £3.1m. leaving £4.2m (£4.06m). Attributable profit to ordinary share-holders amounted to £3.91m (£3.89m) and stated earnings per 25p share were 2.94p (2.93p) or 2.82p (2.77p) fully taxed. Net asset value per share improved from 90.6p to 92.2p.

Extraordinary items are excluded from the interim figures. They principally relate to a deficit on translation of overseas currencies amounting to £479,000 (£1.25m surplus).

An analysis of pre-tax profits by division shows (in £000s): road haulage, £5,671 (£4,149); storage, £3,113 (£3,419); plant hire and other transport services, £600 (£332); reinforcement and exhibitions, £1,300 (£451). The directors point out that acquisitions in the second half of last year in the U.S. and Canada make comparison with previous figures difficult.

New acquisitions contributed turnover of £17.7m and a profit before interest of \$800,000. Because of high interest rates, and

comment If it is true that the transport

industrial activity, then the CRI might be surprised to learn that the road haulage division of Transport Development Gre has achieved a 37 per cent rise in interim pre-tax profits. But although the order book is improving it is still a day-to-day affair, and the knock-on effects of the British Rail strikes have not been very significant. Inter-vention from Brussels to reduce food mountains led to falling cold storage rates, but TDG claims that the storage market generally has started to harden Last year's U.S. acquisitions just profits in the second half. TDG has quite a bit of acquiring still to do, if it is to realise its aim of a 50-50 UK-overseas assets split. Gearing, though 12 points up, is still under 30 per cent, so shareholders can keep their hands in their pockets for the time being. Assuming that there is no increase in the final payout, the shares, unchanged at 73p

# Note of optimism at Initial

Wills, strikes an optimistic note demand and considerable for the current year.

He states that the search for

improvements in efficiency will go on, so that despite difficult trading conditions the estab-lished businesses should continue to make satisfactory contributions to group profit.

At the same time expansion

into new territories and services can also be expected to continue with some of the new businesses starting to make early contribu-As already known, pre-tax profits for the year ended March

31 1982 rose from £19.71m to £22.92m. Turnover was £166.1m (£145.3m) Commenting on the UK market. Mr Wills states that it

toward this end. divisions quickly to the changed circum-stances with the result that costs were successfully contained.
The long-established lines supply division again produced

catisfactory profits by concentrating processing in the most efficient plants.
Improved profit levels currently being earned by Initial Service Cleaners, and a material

advance is anticipated in the coming year.
The overseas share of profit increased from 11.9 per cent to 14.5 per cent even without any

contribution from the U.S. or

IN HIS review accompanying the services divisions trading Spain. Holland continued to the report and accounts of conditions necessitated a major dominate the overseas sector. Initial chairman, Mr Nicholas realignment of production however record levels of turnrealignment . of production resources to meet falling market over and profit were achieved in effort Belgium. The figures from France incorporated the results was directed during this year of the associate company S.A. Decroix-STFA for the first time. The acquisition of Consolidated Laundries in January 1983 provides a substantial foothold in the textile rental market within the North Eastern states

> Operating boundaries have recently been further extended in Spain through a 40 per cent subsidiary. The British Traction Company

holds 41 per cent of the group's ordinary shares. Meeting, Chartered Accountants' Hall, EC, September 3, at

# Property Security over £2m

Security Investment Trust advanced from £1.25m to £2.04m for the 12 months to March 31 1982 and the dividend for the year is being stepped up from an equivalent of 1.44p. after allowing for the one-for-four scrip, to 1.8p nef per 50p share by a final of 1.3p. as forecast. Turnover for the year rose rom £7.36m to £8.43m and was made up as to rents receivable £5.37m (£4.81m) and sales by

dealing (£2.56m). subsidiaries E3.06m (12.30m). The pre-tax figures included higher net property and investment income of £6.21m. against £4.57m, interest charges up from £3.84m to £4.14m, administration expenses of £236,000 (£197,000). dealing profit £198.000 (£1:1m) £186.000, against £531.006 pre and finance costs of £2,000 (£120,000).

Tax paid was much the same £423,000 (£401,000) after

which the net balance emerged (2.09p). Comparisons have been 2762,000) higher at £1.61m. adjusted to allow for the rights extraordinary credits added and scrip issues.

Stated earnings per share on a items, came through at 3.53p

## DIVIDENDS ANNOUNCED

		Date	Corre-	Total	Total	
. •	Current	af	sponding	for	last	
	payment	payment	dıv.	year	year	
iorizon Travelint.	0.8	Oct. 6	0.55		3*	
furray Caledonian	2.7₹	Oct. 13	1.5	4.2	2.5	
· int.	_	Feb. 7	1.5	-	42	
roperty Security Inv		Oct. I	1.04*	1.8	1.44*	
elyon Groupint		Oct. 4	1.67*	-	4.38*	
DGint.		Nov 8	1.45		4.25	

Dividends shown pence per share net except where otherwise stated.

\* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock.

§ Total of not less than 5.5p forecast for 1982/83.

# INITIAL **INITIAL CARE** IS EVERYWHERE

# 'The search for improvements in efficiency continues'

reports Nicholas Wills, Chairman

Despite difficult trading conditions the established businesses should continue to make satisfactory con-

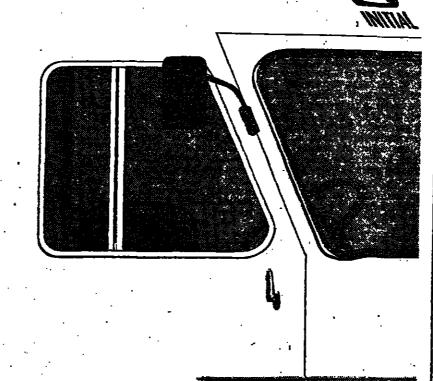
The acquisition of Consolidated Laundries in January 1982 marked the Group's first direct investment in the USA. Operating boundaries have recently been further extended by an investment in Spain.

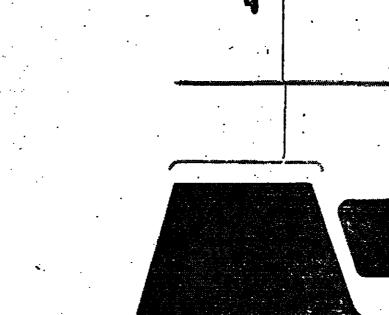
Expansion into new territories and services can also be expected to

Copies of the Report and Accounts may be obtained on application to The Secretary, Initial pic, 300 Goswell Road, London EC1V 7LU.

Comparative Results					
Years to 31 March	1982	1981			
	₹000	£000			
Tumover	166,140	145,331			
Profit before tax	22,919	19,706			
Taxation	7,318	7,472			
Dividends	5,736	4,796			
Retained profit	9,233	6,341			
Earnings per 25p share	28.6p	22.4p			

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# **Midland House Mortgage Rate**

Midland Bank announces that, with effect from Wednesday 1st September 1982 its House Mortgage Rate will be reduced by 11/4% to 121/2% per annum. APR 13.1%.



27 Poultry, London EC2P 2BX

# M. J. H. Nightingale & Co. Limited

7/28	Lov	at Lane London EC3R	858	•	Teleph	ene	01-621	1217
192	11-82	·			_		P/4	
High		Сотрапу			Gross	Yield	ſ	Fully
128	120	Ass. Brit. Ind. Ord	rnce	Change	div (ס)	-	Actual	
136	100	Ass. Bris. Inc. Urg	145	_	6.4	5.1	11.5	14.2
75	æ	Ass. Brit. Ind. CULS	138	-	100	7.4		_
51	33	Airsprung Group	70	_	6.1	8.7	8.0	13.7
		Armitage & Rhodas			4.3	3.8	3.7	8.3
228	187	Sardon Hill	228	_	11.4	5.0	9.5	12.1
112	100	CCL 11pc Conv. Pref	112	_		14 0		-
265	240	Cindleo Group	265		28.4	10.6	10.7	12 0
104	60	Daborah Sarvices	65		6.0	ã.7	3.6	7.0
135	97	Frank Horsell	135	_	7.9	5.9	5.7	61
83	39	Frederick Parker	71	_	6.4	9.0	3.A	6.9
78	45	George Blair	53	_	0.9		30	0.2
102	32	Ind. Precision Castings	Se	_				10.7
113	103	Isis Conv. Pret.	113		.7.3	7.4	7.5	
113	94	Jackson Group				13.9		
131	103	James Berrough,	131	_	7.5	6.8	3.9	7.0
374	206	Robert Jankins		-	96	7.3	9.6	10.7
82	51	Scruttona "A"	206	.—	20.0	8.7	2.3	32.7
222	150	Tordey & Carlisla	82	_	5.7	7.0	10 B	2.8
44	21	United United	150	_	11.4	7.5	8.7	11.5
108	73	United Holdings	21	_	0.46	2.2		
283	212	Walte: Alexander	84		6.4	. 7.6	5.5 .	98
دبيه	<b>6</b> 12	W. S. Yestes	247y	j — 3	14.5	5.8	5.5	129

# Martin Ford PLC Famous for Separates

Interim unaudited results for 25 weeks ended 29th May, 1982.						
	Half-year 1982	Haif-year 1981	Year 1981			
Turnover -	· <b>£</b>	3	ž.			
(including VAT)	3,516,240	3,587,660	7,070,194			
Profit, before Tax	91,439	43,673	101,087			
Taxation.	47,399	7,978	*64,619			
Profit, after Tax Extraordinary Credit	44,040	35,695	165,706			
(Note)	95,378		114,738			
Profit after			• -			
Extraordinary Item	139.418	35,696	150,968			
Dividends	32,063	_	101,562			
Earnings per Share (based on Profit			,			
after Tax)	6.290	0.230	1.0 <del>0a</del>			

Credit 1Debit Note: The Extraordinary Credit rep disposal of property (1981—loss). The Directors are pleased to be able to report an improvement in profits sarned in this interim period. Trading conditions remain erratic, but encouragement can be gained from the improved results and the Directors are hopeful that further advances will be made in

and the invectors are inventors the second half of the year.
Accordingly, they have decided to recommente the declaration of interim dividends with the payment of 9.25 pence per Ordinary Share (1981—Nil). For 1981, a final dividend only was paid at the rate of 0.65

The interim dividend now declared will be paid on 6th October, 1982 to those shareholders on the register at close of business on 2rd. September, 1982.

# **EUROPEAN OPTIONS EXCHANGE** 10% NL 80 85-95 114 NL 82 88-92 15: 2.40 16: 1.40 2 1.70 2 2.40 1 1.50 1 1.50 F.25 AMRO C AMRO P AMRO P HEIN C HEIN P HEIN P HOOG C HOOG P 5 · 3: F,81,50 F.106,50 F.115 F.120 F-110 F32,50 NATH C NATH C NATH P 5 1.80 F.120 5 1.80 F.120 5 1.50 F.120 57 1.50 F.22.50 57 1.68 F.25 56 0.50 F.22.50 25 0.40 F.25 13 1.70 F.80 68 3.50A F.90 31 0.50 F.100 28 0.20 F.80 277 4 F.90 315 12 F.150 1 4.50 F.150 4 1.20 F.150 1 4.00 9 1 5 0,70 10 1.70 28 5 4 0,60 10 4 5 12 4 2.50 5.50 2.60 F.80.60 20:5 | | | | | | | F.150,20

P=Put

Fenchurch

An Excellent Year - Continued Expansion

127% increase in profits

The Fenchurch insurance broking group has had another excellent year.

Profits before tax 30th April 1982 £2.68 m

Very significant new international business from clients

Fenchurch handles business of 42 companies in the Forbes

Fenchurch represented directly in Europe, Australia and

Fenchurch acts for over 600 direct Names at Lloyd's

Singapore, as well as throughout the U.K., with associates

tee Holdings Ltd., 136 Minories, London, ECSN 1QN 01-505 3333

worldwide, including many major U.S. brokers

A record year for the underwriting agency.

Current year's prospects excellent

1981 £1.18 m

C≃Call

TOTAL VOLUME IN CONTRACTS 2,349

A=Asked & B=Bid

# ahead after six months

LARGELY BECAUSE of record

The group's overall market the Falklands crisis, the World carryings in the past Winter share has increased and it is Cop, and the Pope's visit were first half taxable profits of now the third largest operator among the factors affecting the Horizon Travel advanced sharply in the UK. from £650,793 to £2.09m—the group is the second biggest Winter operator:

The directors warn, however, that the first half results are never indicative of the full year outturn and that the net interim dividend up from an adjusted 0.575p to 0.8p per 25p share, does not necessarily indicate a com-parable increase in the final payment Half year stated earnings per share rose from 0.79p to

For 1980/81 this air holiday and travel agent group paid divi-dends totalling 3p, after allowing for a one-for one scrip issue, from pre-tax profits of £13.33m.

It is pointed out that holidays

sold for the current Summer are again at record levels and that the group is expected to carry some 330,000, an increase of about 10 per cent on last year.

However, recent strong bookings have not offset relatively cent in May and again in June. poor trading conditions in May

and June and as a result, the overall Summer load factor will be below 90 per cent with a corresponding effect on profit-At present, next Winter's book-

ings are marginally below those of the same time last year although in the last few weeks new reservation have been "markedly up" and the directors expect the group to shortly overtake the comparable position of

a year ago.

The group's market share continues to increase and the introduction of Glasgow, Newcastle and Bistol to its 1983 programme should add impetus to this growth, the directors say.

They add that current trends suggest that profits for the year to November 30 should slighty exceed last year's level. First half turnover, covering

the six months to May 31, expanded by £11.87m to £40,46m.
Tax paid rose from £362,337 to £1.14m leaving net profits of £945,948 £288,456) to which minorities added \$2.507 minorities added £5,687.

minormies added 25,05%.
Dividends will absorb £338,081,
against £242,880 previously.
The directors say that as
stated in the 1980/81 annual report bookings for winter 1981/82 were an all-time high at 107,000—15 per cent up on the previous winter.
Against an overall market

reported to be some 4 to 5 per cept down, present bookings for cept down, present bookings for summer 1982 amount to 314,000, against 277,000 at the equivalent date last year—just over 10 per cent up on a seasonally adjusted basis. Bookings for Gatwick departures show 60 per cent

Although it is comparatively early in the booking season, bookings for winter 1982/83 are approximately 2,000 less than at the same time last year but the current weekly inflow of bookings is higher than last years Bookings for winter sports are a third up. Gatwick bookings have increased conyearil siderably, and bookings from the new departure point of Bristol are satisfactory, with 20 per cent capacity sold. Industry figures suggest that the group is achiev-ing more winter bookings from

Bristol than any other operator. The profit contribution in the half-year from Orion Airways was substantially increased. Aircraft utilisation in the December/May period averaged over nine hours per day.

cent in May and again in June. The El Moresco reopened in March and although occupancy levels have been lower they are now improving. The Lord Nelson. Minorca, reopened in May-the occupancy level in June was 100 per cent.

Construction is progressing at

the Pueblo Indalo. Majorca, with the three-storey elevations surrounding the central square having been erected and "topped out." The first six-unit apart-ment block has also been com-

pleted and furnished.

The first phase, consisting of 76 accommodation units, restaurants, shops and the main square, will be completed in early 1983 and marketing will take place on the Spanish market nevt summer. The second phase will be completed in 1984 and Pueblo Indian will feature in the complete in 1985-86, will have group's summer 1984 brochure, absorbed around £5m and should A statement following the be contributing over £1m to results said that low bookings annual profits. The forecast of

etween mid-May and mid-July

The unlikely combination of results.

# It contioued, however, that

business over recent weeks had picked up sharply again, and was said to be running between 25 per cent and 30 per cent ahead of the same period last year on a weeldy basis.

The lost ground will not be made up and the group's full year forecast is for profits only "slightly" in excess of those for 1980-81.

Horizon's first half benefited by

## comment

some flm in extra interest received. Even so profit from operations doubled with winter carryings up 20 per cent. In a market that shows a decline of over 4 per cent the group is advancing mainly by winning market share but is also picking up business that would have gone to Laker. Major factors in raising market share is the move towards national coverage departure points rather than its traditional centres at Birming-ham, East Midlands and Manchester airports though these still account for 75 per cent of business. The unexpected downturn in trade in May and June this year could lop some 13m off the full-time profit figures though the upturn of more than 25 per cent in the present level of bookings might partially offset this. There will also be another size-able contribution from interest on its large cash holdings. These presently stand around £32m including proceeds of last year's rights issue and advance pay-ments on bookings. Some of this will be required to fund the development of the self catering absorbed around £5m and should only slight growth for the year had probably cost around torn 14 test summer the prospective p/e terms of profile for the current putting the prospective p/e around 11 on little changed

## **BOARD MEETINGS**

TODAY
Interims—Adams and Gibbon. Commercial Union Assurance, Fleming Mercantile Investment Trust. Kennedy Brookes, Ocean Transport and Trading, Smith and Nephew, Trincentrol, York, Mount. TODAY

rookes, Ocean Transport and Trading, Aennedy Smale Aug 16
mith and Nephew, Trincentrol, York, Newmark (Louis) Aug 18
pount. Sew Writeversrand Gold Aug 18
Finals—Aeronautical and General Victor Products (Wallsend) Aug 18

## CONTRACTS

# £6m orders for Tarmac

Telford for the Telford Development Corporation.

Two local authority housing improvements and modernisation awards cover 175 homes at Heathfield, Birmingham (£1.5m) and 120 homes at Cardale, Nottingham.

Other work includes re-furbishing an existing building and constructing two new wings at Leeds for English Industrial Estates (£934,000). and a new supermarket at Clevedon, Avon, at a cost of £559,000 for Kwiksave Discount Group.

AN ENGINE house and hoiler house for the Midlands Electricity Board's combined heat and power station at Fort Dunlop, Birmingham, will be built by SIR ROBERT McALPINE & SONS under a £2.1m contract. Some 10,000 cubic metres of excavation will be involved in the provision of foundations and civil engineering works for the structural steel framed buildings

the pharmacy and pathology departments of the Queen Alex-

is the provision of air conditioning in the pharmacy section. REFURBISHMENT work for BOYIS is worth around £375,000. Projects are a £280,000 job at Navigation House, London EC3 for P & O and £95,000 worth at rehearsal studios for the English National Opera at Lilian Baylis

House, Hampstead.

A DEVELOPMENT claimed to be unique to MARCONI COMMUNICATIONS SYSTEMS, has just won a multi-million pounds contract for British Telecom. Marconi is to provide 250 Super-group and 250 Hypergroup codecs for use in the refurbishment of British Telecom's international and domestic telephone networks. These Marconi codecs are so miportant because they are the first

to provide an interface which enables existing pre-digital net-works to be used for digital working until, eventually, they are replaced by a completely digital network. Thus digital technology can be introduced, relatively

for Chikern District Council. It is worth £600,000 per annum, or £3m over the contract period of five years. The contract starts on November 1. Exclusive Cleaning Group has also secured the contract for the general cleaning and window cleaning at the Palace of Westminster, Value of the contract, which starts on October 11, is \$250,000. This is the first time that the whole of the Palace of Westminster has been cleansed by a private con-

PRUDENTIAL PENSIONS, one of Britain's largest pension funds, has placed the building contract for a 53,000 sq fi office develop-ment at Bedford Park, Croydon with WALTER LAWRENCE & SONS which is to cost about £3m

awarded two contracts ingether worth over £1.2m. Largest is for construction of the Gloucester inner relief road (stage 2), for recently on a new £3.9m leisure Gloucestershire County Council, puol for the Royal Borough of at a cost of just over £870,000. It kingston Upon Thames accord-comprises demolition of existing ing to E. C. Harris and Partners, wild in the complete of the comprises of models of the comprises of the comprise of the comprises of the comprise of the comprises of the comprise buildings, construction of road-who are supplying full quantity works of varying width, and surveying services for the pro-associated works to revise the traffic patterns in Station Road/ contract is Laing Management Market Parade in the centre of Contracting.

TARMAC REGIONAL CONSTRUCTION has a batch of new contracts which together total nearly £6m, and include a £1.8m scheme to build three factories and offices on the Stafford Park Industrial Estate.

Tefford for the Telford to be erected on a 1.3 hectare discussed. The completed of the erected on a 1.3 hectare discussed. The completed of the erected on a 1.3 hectare discussed. The completed of the erected on a 1.3 hectare discussed in the erected on a 1.3 hectare discussed. The erected on a 1.3 hectare discussed in the erected on andra Hospital at Harlow. A major element of the work here on the Bath gyratory road at a on the Bath gyratory road at a cost of £361,500. Work is scheduled for completion in 21

> ZIMMER AG (FRANKFURT/ MAIN) has received a contract worth DM 9m (£2.1m) from China National Technical Import Corporation to build a high-speed spinning plant at Nantong for the Nantong Textile Industry Corporation. The plant will produce 4.700 tons of partially oriented varu per year using ancrystallised polyester chips as feedstock. Zimaner will supply the process, the entire engineering and equipment and will be bonsible for the supervision erection and commissioning, which has been scheduled for 1984. Zimmer AG is a subsidiary of Davy McKee, the engineering and construction organisation of Davy Cutpuration.

ORDERS FOR a new-technology computer - generated visual system for flight simulators employing microprocessors have cheaply, into analogue circums to now reached £10m, says the improve cost-effectiveness, per Link Miles division of THE formance and reliability, says SINGER COMPANY (UK),

BRENGREEN (HOLDINGS) sub-sidiary EXCLUSIVE CLEANS. GROUP has been awarded con-ING SERVICES has been trucks worth flam in the Mid-awarded the cleansing contract lands and North West. Border Engineering Contractors, Whitehaven-based civil engineering company has been awarded con tracts worth 2700,000 in North West England and Southern Scotland These include the mains extension to Lammonbie/ Milliousehridge worth £187,000 for Dumfries and Galloway Personal Conneil, two contracts for Cambria County Council for repairs at Workington Harbour and alterations at Ingwell School

Whitehaven, valued at £132,000. In the Midlands, E. Fletcher Enilders (Midlands) has been awarded contracts worth £448,000 in construct a public house se Westbury Park, Clayton, New-castle (Staffs.) for Allied Breweries and to make alterations to two public houses-for By .. Worthington. In a contract worth 1317,000, Fletchers will SIR ALFRED McALPINE & also construct 22 aged persons
SON (SOUTHERN) have been that at Macelesfield for Templer
Housing Society Housing Society.

# Horizon Travel £1.44m | Australian mines step gingerly to cut costs

BY KENNETH MARSTON, MINING EDITOR

industry is suffering like others in the world from the weakness of metal markets, it has so far been able to avoid the severe mine clusures and lay-offs of employees that have become commonplace in Canada and the

But with companies going deeper into the red, Australian mining is urgently having to find ways of tackling the problem of TIME COSTS.

It is still, however, setting its face against full-scale close-downs of mines with the consequent redundancies in he workforce which would bring severe political and labour union problems. .
Western Mining has thus taken

the decision to freeze salaries of executive and staff members until at least next June when the poistion will be reviewed. that there were no plans to for recover As far as the production reduce output at the company's comes about workers are concerned the company to the seen.

perhaps significant, step in get- a 10 per cent stake. ling them to agree to a moratorium on the claim for a shorter working week.

Sir Arvi Parko, the Western Mining chairman, said: "Our problems arise partly because of very depressed markets for our products and partly from costs Australia which continue

Aberfoyle has become another operation in Tasmania to announce temporary closures of operations. Its Cleveland and Ardlethan tin mines are to shut for six weeks in December-January in order, it is stated, to help slow the rate of financial loss and to avoid widespread staff lay-offs.

An Aberfoyle spokesman said

ALTHOUGH Australia's mining pany has achieved a small, but gine mine in which Paringa has

As already reported, the Con-solidated Cold Fields group's Regison mine in Tasmania has also been hit by low tin prices and the export sales quotas imposed by the International Tin Agreement.

In order to avoid laying-off employees it intends to carry on escalating without regard to the world around us."

Meanwhile, the tin-producing put. It also plans to close for a month at the end of the year and to heavily cut down on capital spending. Two temporary closures, each of one month, are plagned for the group's lossmaking Mount Lyel copper mine. making Mount Lyell copper

mine.
Whether such moves will be sufficient to tide the various companies over until the kopedfor recovery in metal markets comes about, however, remains

# Botrest losses grow heavier

(Butrest) Selebi-Phikwe copper- should be more marked in the nickel mine in Botswana, second half of the year since the worsened further in the first half of this year. Operating profit-dropped to 3.6m pula (£1.9m) from 9.1m pula in January June 1981 and the accumulated deficit clumbed to 216.7m pula from 143.5m puls at the end of December, reports Bernard Simon from Johannesburg.

The mine, whose main share-holders are Anglo American Corporation and Amax, is clearly being kept in production for political reasons only. It is the largest private sector employer in Botswana and a key source of foreign exchange.

Botrest's main shareholders and creditors agreed to an extentive restructuring of the com-pany's debt earlier this year, including emergency funding from the Botswana Government. Earnings have suffered from

he continuing decline in prices for the mine's products, copper. the directors, "the intense com-petition for sales in this depressed market has caused producers of each of these metals to sell at less than list

pula was devalued by 10 per cent in May.
On the other hand, the

devaluation has increased the cost of Butrest's foreign loan repayments, pushing up foreign exchange losses to 36.6m pula in the past half-year from 8.2m pula a year ago.

The directors say they are con-fident that the debt restructuring will enable the mine to continue operating "for many years," pro-vided "a reasonable level of world metal prices is achieved."

## Hudbay interim loss of C\$38m

THE Auglo American Corporation group's Canadran arm.
Hudson Bay Mining and
Smelting reports a second
quarter loss of C\$14m (\$6.6m)
which makes a loss of C\$38.1m for the first half of this year. There was a profit of C59.9m in

normally paid in September. The

THE PLIGHT of Botswana RST's Exchange rate benefits on sales was of 10 cents paid in February. Hudbay's second quarter results include a loss of C\$6.5m from the 50 per cent-owned Inspiration Consolidated Copper; the other 50 per cent is held by Minerals and Resources Corporation (Minorco).

## Benguet profit down by 71% in first half

A FALL of 71 per cent in first by Benguet, the major producer of copper and gold in the Philippines, reports Leu Gonzaga from Manila. Net income dropped to pesos 31.1m (£2.12m) from pesos 107.5m in the same period of last year.

Benguet produces gold with silver by-product at its own property in Itogon (Benguet Province, Northern Luzon), copper with gold and silver by-products at the property of Dizon Mines in San Marcelino Not surprisingly, Hudbay has Dizon Mines in San Marcelino decided not to declare the (Zambales Province, West Central quarterly dividend which is Luzon) which it operates under contract, and chromite in the property of Consolidated Mines The fall in prices has been company also omitted the property of Consolidated Mines partly offset by the decline of dividend normally paid in June. in Masinloc which Benguet also the pula against the U.S. dollar. Its last quarterly distribution operates under contract.



# Carrington Viyella Plc

# INTERIM STATEMENT

The Board of Directors of Carrington Viyella Plc today announced the unaudited results of the Group for the first half of 1982.

SIX MONTHS ENDED 30 JUNE 1982				
· · 19	981		1982	
First Half	Full Year	· ·	First Half	
£'000	£'000	•	£'000	
129,924	259,895	Sales to external customers	119,480	
767 399	3,867 381	Trading profit Share of associated companies' profits (losses)	1,993 (712)	
(4,186)	_( <i>8,603</i> )	Interest charges	(3,912)	
(3,020)	(4,355)	Loss before taxation and extraordinary items	(2,631)	
(1,108)	(2,027)	Taxation .	(913)	
(4,128) — 963	(6,382) (612) (12,450)	Loss after taxation Minority interests Extraordinary items	(3,544) (540) (623)	
(3,165)	(19,444)	Loss attributable to Carrington Viyella Plc	(4,707)	
(256)	<u>(513</u> ) (19,957)	Preference dividend  Loss attributable to ordinary  shareholders	(256) (4,963)	
(2.41p)	(4.14p)	Loss per ordinary share	(2.39p)	

NOTE: The taxation charge comprises £0.1 million ACT written off relating to preference dividends and £0.8 million in respect of overseas operations.

## **COMMENT ON RESULTS**

In 1982 the Group's first half trading profit improved by £1.2 million over the same period last year from £0.8 million to £2 million. All the UK Divisions made a positive advance over 1981 and in total improved their operating result by £1.9 million in an unhelpful environment. After allowing for sales of Gelvenor (South Africa) and Knitting Division, which were included in 1981 results, total UK sales were maintained at the same level as 1981.

The sterling contribution from our 50% owned South African subsidiary was adversely affected by exchange rate movements. Our Canadian associate, Consoltex, has suffered substantial losses in 1982 which reflect the intense trading difficulties being experienced in Canada both by ourselves and by other textile companies serving that market. As a result the Group pre-tax loss was reduced by only £0.4 million from the previous comparable period. The extraordinary item of £0.6 million is the result of further rationalisation decisions taken in the first half of 1982. Over the last six months there has been a further reduction in the number of UK employees from 15200 at the end of December 1981 to 13600 at the end of June 1982. At 30 June the Group still carried a substantial provision for ongoing rationalisation.

The Board recognises the significant contribution made by our employees in these persistently difficult times.

In view of the Group's results in the first half of 1982 the Board has decided that it is unable to recommend the payment of an ordinary dividend.

## OUTLOOK

The current environment, in which customers in our primary UK market, including many successful retailers, are experiencing volatility in their trading, continues to make the short term outlook uncertain though we are maintaining progress by improving both cost base and productivity through our rationalisation programme.

BILL FIELDHOUSE.

Chairman.

9 August 1982

LONDON TRADED OPTIONS

Extraise Glosing

April : 7

1472

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(Incorporated in the Republic of South Africa) INTERIM REPORT FOR THE TWELVE MONTHS TO

PRODUCTION: Metric tons	12 months to	Year ended
•	30.6.82	30.6.81
Hot metal	798 243	781 544
Continuously east blacks	•	
Blooms		488 635
Slabs		309 503
Billets		39 626
·	<del></del>	837 764
Mill products		
Billets	13 165	17 651
Sections		406 163
Plate		254 861
Total	689 661	678 675
Ferro-alloys—Total		131 048
Carbonaccous products—Total	167 935	213 826
GROUP FINANCIAL RESULTS (R000)	<del></del> -	. <del></del>
Turnover	376 703	332 967
Profit before tax	75 204	73 226
Less: Normal tax		6 829
Deferred tax	21 809	16 020
Profit after tax	53 395	50 377
ess: Minority interests	1 873	1 673
Attributable profit	51 522	48 704
Caxed earnings per share (cents)		71.6
Dividends (cents)—first interim		10
Olvidends (cents)—first interim —second interim	16	
—final		22

twelve months to June 30 1982, before providing for tax and minority interests, but after providing for interest charges of R11 001 000 and depreciation of R24 178 000 amounted to R75 204 000 compared with the R73 236 000 earned in the year ended June 30 1981.

After providing R21 809 000 for deferred tax which continues to be calculated on the ethod, and deducting minority interests of R1 873 000, the attributable profit increased from the R48 704 000 earned for the same period last year by 6 per cent to R51 522 000. The rate of taxation was again low due to the non-recoupable investment allowances on high levels of capital expenditure.

As reported in the interim report for the six months to December 31 1981, Highveld became a subsidiary of Anglo American Industrial Corporation Limited (AMIC) and as a result, the group's financial year end was changed from June 30 to December 31 and the current financial period will cover the eighteen months to December 31 1982.

In view of this change of year end the board has declared a second interim dividend of 16 cents per share payable in October 1982 at a cost of R10 891 400. The results for the eighteen month period ending December 31 1982 will be announced in February 1983 and same time a final dividend for that period will be declared for payment during April 1983. Thereafter the results for the first half of each financial year will be announced during August and it is intended that an interim dividend should be declared at that time for payment during the following October. The results of each financial year will be published during February of each year and a final dividend declared at that time for payment during April.

The crisis in the world steel industry continues with the industrialised countries being most adversely affected. At the end of June 1982 the U.S. steel industry was running at less than 50 per cent of capacity and production was some 35 per cent lower than the same period last year. This was not only due to a drop in US steel consumption, but is also related to steel imports which have increased as the US dollar has strengthened. As a result, US steel companies have brought countervailing duty and antidumping cases against steel imports from nine countries including South Africa. Investigations into these cases are well underway and the outcome should be known before the end of August 1982.

Some economists see the US recession as having "bottomed" and are forecasting a better second half year. The indications are that there will be an improvement in steel consumption worldwide in the second half of the year, albeit slight.

South African steel consumption in 1981 was at the same record level of 6.9 million tons as 1980, but as 1982 has progressed the demand has decreased and it is forecast that consumption will be at least 5 per cent down on 1981.

Free world vanadium consumption remained at a reasonable level during the period hut prices and sales of vanadium raw materials continued to be adversely affected by the oversupply situation. In the past 12 months the Australian and Norwegian producers have ceased production, the Finnish producer is considering closure and most other producers are operating below copacity. Highveld continued to operate only one of eight roasting units at the Vantra division.

Transallovs and Rand Carbide continue to operate below capacity as a result of the recession in the world steel and ferro-alloy industries.

Group turnover for the period at R376 703 000 was 13 per cent above the turnover for the same period last year and export sales were at a record level of R173 652 000. The erection of the reversing hot strip mill continues on schedule and it is planned

to commission the mill before the end of the current financial period. The erection of the first furnace and three pre-reduction kilns in the and the units will commission in February 1983.

Current overseas and local market conditions continue to make forecasting difficult but it is expected that the rate of earnings for the six months from July to December 1982 will be similar to that achieved for the financial period to date and as a result the final dividend for the eighteen month period will be at least equal to the final dividend declared for the financial year ended June 30 1981.

The issued share capital increased from R68 012 770 at June 30 1981 to R68 071 270 as a result of the issue of 58 500 shares in terms of the share incentive scheme. CAPITAL EXPENDITURE The total commitment in respect of capital expenditure was R119 643 000 compared

with R161 908 000 at December 31 1981 and R116 852 000 at June 30 1981. The first interim dividend of 11 cents in respect of the financial period to December

31 1981 was declared on February 8 1982 and paid to shareholders on April 2 1982. DECLARATION OF DIVIDEND NO. 16 (SECOND INTERIM) NOTICE IS HEREBY GIVEN that dividend No. 16 of 16 cents a share, being the second interim dividend in respect of the figancial period July 1 1981 to December 31

1982, has been declared payable to shareholders registered in the books of the corporation at the close of business on September 10 1982. The dividend is payable in the currency of the Republic of South Africa. Dividend warrants will be posted from the office of the transfer secretaries on or about October 14

Any changes of address or dividend instruction to apply to this dividend must be received by the corporation's trunsfer secretaries not later than September 10 1982. Shareholders must, where necessary, have obtained the approval of the South African or any other exchange control authorities having jurisdiction in respect of such instructions. The share transfer register and register of members will be closed from September 11

to September 24 1982, both days included. In terms of the Republic of South Africa Income Tax Act 1962, as amended, nonresident shareholders tax will be deducted by the corporation from dividends payable to those shareholders whose addresses in the share register are outside the Republic. The effective rate of non-resident shareholders' tax is 15 per cent.

The abridged unaudited consolidated income statement of the corporation and its subsidiaries for the 12 months to June 30 1982 is contained in the accompanying interim report of the corporation for that period. For and on behalf of the Board

W. G. Boustred (Chairman) Directors Witbank August 10 1982 L. Boyd (Managing Director)

Registered Office: Transfer Secretaries: Portion 39 of the farm Schoongezicht No. 308 J.S. District Witbank Consolidated Share Registrars Limited 62 Marshall Street, Johannesburg 2001 (P.O. Box 61051, Marshalltown 2107) (P.O. Box 111, Withank 1035)

King & Shaxson PLC 62 Combill, EC3 3PD Gilt-Edged Partfolio Menage Service Index 9.8.82 Portfolio I Income Offer Offer Bid Portfolio II- Capital -Offer 01-246 8026 THE TRING HALL FT INDEX & BUSINESS NEWS REPORT USM INDEX Hourly updated FT index --- 126.2 (-0.9) Sterling Exchange Rates Close of business 9/8/82 Tel: 01-638 1591 Sulian, krugerrands, platinum and base metal prices BASE DATE 10/11/80 100 Dow Jones Industrial Average Share Market Report LADBROKE INDEX

Companies and Markets BIDS AND DEALS

# Newman Industries seeks further financial support

manufacturer, is arranging terms of further support from its major Singapore-based shareholder, Cycle & Carriage.

badly needed £8m into Newman in November 1980 in return for equity and loan stock which, on conversion, gives the Singapore shareholder majority control at just over 50 per cent. Now, nowever, Newman needs more extensive help and approaches are being made to other outside

Aid is already at hand from two sources. Finance for Industry and the United Kingdom Temperance and General Provident Institution are stand-

Newman Industries, the fasten- ing by to provide fresh equity stood to stand at over £30m and ings, engineering and electric capital provided other investors shareholders' funds are thought motor manufacturer, is arrang-come in. Midland Bank, New- to have shrunk below £10m. man's sole clearing banker, is continuing its support

Newman expects to have com-Cycle & Carriage injected a pleted the canvas of City instituwons by the beginning of next month and the proposals will then be put to existing share-holders for their approval. The shares were suspended yesterday at Sp-capitalising the group at just £2.8m-and dealings will remain frozen until the refinancing package is complete. The accounts for calendar 1981

are now being finalised, Newman announced yesterday, and will be despatched in conjunction with the re-structuring package. The group's debts are under- ment.

The transfer of the troubled

ceramics businesses of Grindleys of Stoke Barker Brothers and Cartwright and Edwards to a new holding company, Federated Potteries, cut borrowings by £2.4m (while frimming net assets by about £1.5m) and rid Newman of a chronic loss-maker.

The disposal also introduced Newman to a potentially important new ally. UK Provident, having backed the management team which founded Federated to the extent of taking a 40 per cent holding, met and appear to have been impressed by Newman's manage-

# Ward White in new U.S. move

Ward White, the Northamptonshire-based footwear group; is retail outlets and sales in its last poised to take another step in its financial year of \$36m. policy of diversifying away from non-specialised manufacturing and into UK and U.S. retailing

again to the group's growing perhaps even days, though no presence in the U.S., perhaps lifting annual turnover there to over reached.

financial year of \$36m.

The name of the prospective

subsidiary was not disclosed, pending completion of the talks. perations. Mr Sharpe said this would The latest move will also add probably be within weeks,

The purchase price is expected Mr John Sharpe, Ward White's to be about £14m, with about £9m finance director, said yesterday payable on completion and the that the group was well advanced balance over three years. balance over three years. Medium term bank loans would in talks to acquire a private shoe Medium term bank loans would retailing business based on the finance the acquisition but the

target company is cash rich and Ward White would retain maximum flexibility" on the

future shape of its balance sheet, said Mr Sharpe.
Ward bought Childs Corporation of the U.S. for £7m in 1980 and Kushins Shoes of the U.S. for £4.8m in August of last year. The proposed deal is understood to be larger than either of these and would lift significantly the group's annual sales, already just under 50 ber cent.

Ward's shares closed at 57p,

# Shackleton and Europa to merge

Shakleton Petroleum Corporation and Europa Petroleum Inc. two parts of the oil explora-tion empire of Mr Bob Lamond of the Calgary-based Czar Resources, have agreed terms of

a proposed merger.
This involves the alteration of Shackleton's authorised capital, change of name Shackleton and the acquisition of Europa by Shackleton.

The aim of the merger is to create a larger company with the financial capacity to compete more effectively in the oil and gas industry in North America, the two companies said.

Shackleton is a Canadian public oil and gas company whose shares are listed on the Vancouver Stock Exchange and on the Stock Exchange in London under Rule 163(1e). Europa Inc

Sturla holds

is a U.S. public oil and gas company whose shares are not listed on any exchange.

After the merger has been

approved, application will be made to list all of the shares of he merged company on the Vancouver Stock Exchange. The merged company does not

plan to participate in oil and gas exploration under current industry and economic condi-tions. It will use available cash and new equity to acquire pro-ducing properties in Canada and the U.S., and for drilling opera-tions on properties in which it already has an interest.

its issued and outstanding will hold common shares in the common shares on the basis of merged company.

common shares presently out-standing and the creation of enough common shares so that its authorised capital will be 30m common shares.

Shackleton will then change its name to Europa Petroleum Lid.—" the merged company."

Europa Inc. and a whollyowned subsidiary of the merged company will then be merged into a single subsidiary whereby every 10 shares of Europa Inc. will be converted into 1.8m com-mon shares of the merged Thereafter, Europa Inc. will be

Shackleton had total assets of a wholly-owned subsidiary of the C\$7.31m on March 31, while merged company, and the for-Europa had assets of US\$10.89m. mer holders of Europa Inc. Shackleton will consolidate all shares and Shackleton shares

10 SHARE STAKES

Electrocomponents . Medical and General Life Assurance Society has bought a further 133,000 shares bringing holding to 5.17m ordinary shares. Ex-Lands — Jantar, following the purchase of a further 10,000 ordinary shares in the company on July 30 is now beneficially interested in 487,500 shares (10.93 per cent).

Internationally, with its geo-

United Computer and Technology Holdings — Automated Security Holdings now holds 188,000 ordinary shares (7.52 per cent).

Yorkshire Investment Trust-Asset Special Situations Trust has acquired 600,000 ordinary shares (10 per

# 7.5% stake in Greenbank Tst. Sturia Holdings, the leasing and finance group, disclosed a

7.5 per cent holding in Greenbank Trust yesterday, although the transaction is understood to have taken place over a month ago. Mr Robert Knight, chairman of Sturla, was careful how-ever to dispel any notion that another attempt to merge with Greenbank had been contem-A deal folded last summer on

the failure to agree the terms of a preference share to be issued as consideration, but Mr Knight said that the latest move, executed by Sturla's recently acquired investment vehicle, First Guernsey Securities, was undertaken solely as an invest-

Greenbank's major share-holder, Malton Financial Services, also appounced the sale of 200,000 Greenbank shares yester day at 145p per share. All but 8,000 of this stake has gone to flight Property Group cutting the equity held by Maiton, con-trolled by former stockbroker Mr Tony Rudd, to 26 per cent or

# Ferranti to acquire Image Data

Ferranti, the electronics group, has reached agreement in prin-ciple to acquire the entire assets of Image Data Products of Bristol, which is now in receiver-

ship.
Image Data, which employs about 10 people, makes graphical input devices and microcompu-ter systems. Its main product is a graphical input tablet which allows graphs and charts, hand-writing and marks such as ticks and crosses to be fed directly in a computer.

No price has yet been agreed but an announcement has been made so that Image Data's cus made so that Image Data's cuspany will be rescued, Ferranti

INTASUN PLANS Intasun Leisure Group reached an advanced stage in the

purchase of Schoolplan Tours. Schoolplan specialises inclusive holidays abroad for school parties, with the emphasis on ski-ing. The company also runs adult ski-ing holidays. Schoolplan organises approximately 70,000 holidays a

Shareholders will be given more detailed information when negotiations have.

PHICOM/TSW---Phicom has sold their entire holding of 581,250 ordinary shares (2.78 per cent) of TSW-Television South West Holdings 538-543 (-7)

at 131p per share.

## BNP IN FRANCE: A SATISFACTORY YEAR

Total customer deposits (FF171.6 billion at the end of 1981) increased by 6.4%. Thanks to stringent policies BNP has improved the structure of its deposit base. Current accounts and deposit accounts increased by 20,7% and 24.3% respectively from the end of 1980 to the end of 1981; during the same period fixed deposit accounts went down by 14% and cash certificates by 11.3%.

Lending to French custo-mers (FF171.4 billion at the end of 1981 went up by 17.8%; foreign currency loans went up sharply while loans in French Francs suffered the effects of credit controls.

BNP's advisory role In 1981 BNP enlarged its range of products and services - mutual investment funds Natio Fonds Placements, treasury Unit Trusts

RESULTS

Natio Epargne, an increased rate of installation for automated teller's machines consolidated its reputation as the bank for advisory services. Client advisers ensure that account holders receive regular assistance with the management of their investment portfolios.

to be one of the principal banks for small and medium-sized businesses. Its efforts were applied particularly to investment finance, strengthening of business equity through shareholders loans, encouragement for innovation, support for export business and the creation of new enterprises. Lending to major businesses showed a marked increase (+ 30% generally and + 70% for-foreign currency credits alone).

In 1981 BNP made a net profit of FF591.4 million against FF603.5 million in 1980. Net results in France show a marked decrease (FF335.3 million in 1981 against FF429.8 million in 1980) because of the need to make substantial provisions for contingencies as a consequence of the current economic crisis and a 71% increase in rates and taxes. On the other hand net results outside France increased

Net consolidated profit was FF1,169 million in 1981 (against FF898 million in 1980) almost twice the profit of the parent company.

by over 47%.

Corporate financing Once again BNP is proving

## BALANCE-SHEET

The total of BNP's balance-sheet at 31st December 1981 was FF551.9 billion against FF452.7 billion at 31st December 1980, an increase of 21.9%. Before distribution of profit equity and loan capital amoun-

ted to FF19.2 billion against FF126 billion at the end of 1980; this increase comes mainly from debenture loans in French Francs and in foreign currency, which went from FF6.9 billion at the end of 1980

## BNP IN THE WORLD: STRENGTH AND DYNAMISM

graphical stength and diversity, BNP is one of the world's major banks; a sound performance in 1981 was the result of sustained effort in the search for improvements in productivity, a selective approach in opening new branches and the consolidation of existing facilities. Several objectives helped in the co-ordinated progression for research and support allows BNP to employ sophistowards increased efficiency: ticated financing techniques employee quality through rigorous professional training. inter changeability between staff within operating teams, increased profitability by constantly improving management methods, improved co-ordination through grea-

Group's overall unity. Foreign trade assistance BNP strengthened its position as the leading French

ter awareness of the BNP

bank for foreign trade, rai-

sing its share of the total of medium and longterm export finance from 18.61% at the end of 1980 to 19.84% at the end of 1981. The foreign trade department, taking advantage of the strength of BNP's French and foreign network, noticeably increased the number of operations led by BNP. A well developed capacity

and to use such resources to help in assessing risk-related decisions. BNP, the leading French bank on the international

capital market BNP has maintained its selective policy when deciding in which loans to participate: in 1981 there were 69 euroloans 27 led by BNP and 235 eurobond issues (116 led by BNP

· ·	Consolidated balance-sheet	<u> </u>
Assett	million francs	Liabilities
Deccimber 31, 1981		Pecember, 51, 1981
17,669	Cash in hand, central banks accounts. Treasury, etc.	32.737
199,390	Banks and financial institutions	200.527
69,708	Government stock, notes and bonds	55.153
242.041	Customers	234.684
61,292	Other accounts	67.959
13,835	Securities	<del></del> _
6.703	Investments	
2714	Leasing	
	Debenture loans	13,841
	Preference shares loans	28
99	Shareholders funds	7,393
	Profit for the year	1.169
613,471	Total	617 177

to nearly FF13 billion at the end of 1981. Shareholders' funds were FF5.5 billion. The total of the consolidated balance-sheet was FF613 billion at 31st December 1981, showing a 25% increase.

The consolidated balance-sheet is 11.1% higher than that for BNP alone. Consolidated equity and loan capital reached FF223 billion 50 with networth FF8.5 billion.



**BANQUE NATIONALE DE PARIS** 

Siège Social : 16, boulevard des Italiens 75009 Paris Tél.: 244.45.46 - Télex: 280 605

PTIONS

boosts

earnings

By Our New York Staff

PROCTER AND GAMBLE,

the leading U.S. household

products manufacturer, im-

proved its net earnings by

14.6 per cent to \$165m or

\$1.99 a share in the final

quarter of its fiscal 1981-82

year ending June 30, against \$144m or \$1.74 a share last

year. Sales rose to \$2.98bn,

The fourth quarter earn-

ings include the effects of

three accounting changes which boosted earnings by

\$3m or 4 cents a share. They

resulted in a 16.3 per cent

increase in net earnings for

the year to \$777m or \$9.39 a share from \$668m or \$8.08 a

share. Sales were up 5 per cent at \$11.99bn, against

The company said that its earnings from 1981 excluded

an extraordinary charge of

\$75m from the setting up of

a reserve to cover the costs of the suspended sales of its

Rely tampons which resulted in final net earnings of

\$593m or \$7.17 a share.

Hungary past

By Our Euromarkets Staff

state bank chief

MR JANOS FEKETE.

governor of the National

Bank of Hungary, yesterday

described the completion of a \$260m special 15-bank club

loan for Hungary as "a very

couragelous undertaking by

the British clearing banks

among others. Mr Fekete, in London yes

terday for the signing of the

deal. was referring to the participation of the UK

went on to say that the help of the world's central banks

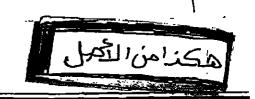
would also be required in

cleaders in the credit.

crisis, says

against \$2.8bn.

\$11.42bn.



# Anheuser makes \$500m bid for U.S. bakery group

BY PAUL TAYLOR IN NEW YORK

largest brewer in the U.S., is to changed for new Anneuser con- hell Taggart marks a reversal make an agreed takeover bid vertible preferred stock. worth about \$500m in shares and each for Campbell Taggart, stock will have a redemption has concentrated largely on the Dallas-based group which is value of \$40 a share, pay a internally developed new prothe nation's second largest dividend of 9 per cent a year, ducts bread and bakery products will be non-callable for five

The bid, which represents Anheuser's first major attempt to diversify outside the beer industry, was announced jointly by the boards of the two companies yesterday.

Taggart. The remaining shares the largest selling beer in the restaurants.

years and convertible into 0.645 · shares subject to pro-ration.

the in the bakery group will be ex- world. The takeover of Camp The convertible preferred diversification strategy which and beer

husinesses. Campbell Taggart, which had of a share of Anheuser common sales last year of \$1.26bn and stock. Shareholders will have net income of \$41.7m, ranks the option to chose cash or second after ITT Continental Baking Company, the Inter-Anheuser, which had sales national Telephone and Telelast year of \$3.85bn, has about graph subsidiary. Campbell Anheuser will pay \$36 a share market. Its main brand, Rainbo and Colonial bread and for 50 per cent of Campbell Budweiser is said to be by far the El Chico chain of Mexican

# Eurocurrency bank credits fall

**DEBT OWED TO BANKS** 

19.9

10.2

producers have been particu-

prices from their 1980 highs.

High interest rates have sub-

servicing costs for many developing countries whose export prices have been declin-

exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Wednesday August 18.

Closing prices on August 9

Source: Morgan Guaranty. World Financial Markets

% due in

or less

· 34

BY WILLIAM HALL, BANKING CORRESPONDENT

Argentina

South Kores

Philippines

THE VOLUME of new Eurocurrency bank credits in the first half of 1982 is some 13 per cent down on the previous half year. Preliminary data for July -\$6.5bn in new Eurocreditsshows a further reduction in the Mexico rate of new lending. Brazil Venezuela

Fresh evidence of the sharp slowdown in the growth of international bank lending is contained in the August issue of Morgan Guaranty's World Financial Markets and comes less than a formight after the Bank for International Settle-(BIS) released data a sharp showed deceleration in the growth of international bank lending in the first quarter of 1982. The Morgan Guaranty figures are not as comprehensive as the BIS figures, but they are more up

and the hardening of credit terms reflect a general assessment that the risks involved in stantially increased the debt international lending have

will be published next on Wednesday August 18.

U.S. DQLLAR
STRAIGHTS
Astra Life 15 86/97 ... 150
Amax Int. Fin. 16% 92 75
Baker Int. Fin. 0.0 92... 400
102% 103% -0% -1% 13.51
Baker Int. Fin. 0.0 92... 150
BHP Finance 14% 89... 150
Bk. Amer. NT SA 12 87 200
British Col. Hyd. 14% 88 200
British Col. Hyd. 15% 82 150

55-7 35 - 7-1 - 7-1 16.42

884 394 - 0-1 - 0-2 14.95

1017 1014 - 0-2 - 0-2 15.01

951 894 - 0-1 - 0-2 14.95

1017 1014 - 0-2 - 0-2 14.95

301 951 - 0-1 - 0-2 14.98

344 951 - 0-1 - 0-2 15.23

88 394 - 0-2 - 0-2 15.23

89 394 - 0-2 - 0-2 15.23

89 394 - 0-2 - 0-2 15.75

1004 1004 - 0-2 - 0-2 15.75

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1006 1007 - 0-2 - 0-2 15.75

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253 36 365 - 0-7 - 1-1 14.90

261 99 - 0-1 - 0-7 15.22

293 1001 - 0-1 - 0-1 15.22

293 1001 - 0-1 - 0-1 15.23

274 - 1-1 - 1-2 14.47

237 244 - 1-3 - 1-1 14.87

1024 1024 - 0-3 - 0-4 15.05

293 393 - 0-1 - 0-3 15.05

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1047 1045 - 0-1 - 0-1 15.31

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The banks says that several export prices have been declin-imports sould have a cumuta-factors have contributed to in-ing. Quite a few borrowers tively depressive impact on the creased risks. The world have half or more of their bank world economy."

= 1
lebts falling due in one year
or less with the result that such countries "have limited ability
o withstand even a temporary
lisruption of their access to
redit markets."

Morgan also notes that various political developments have added to the general per-cpetion of increased risk. In particular. Poland's difficulties "have had a very sobering effect on the international bank-

ing community."

Despite the increased risks it is important to keep the present situation in perspective and not cut lending too rapidly, says the bank.

By precipitously withdrawing credit now, banks could worser, the external payments economic slowdown is proving difficulties and thereby the to be more extensive and longer lasting than expected. Primary are trying to protect themselves. Moreover, such action, Morgan says that the slow- larly hard hit by a drop of a especially if taken simultane-down in international lending third in non-oil commodity ously by a large number of banks with respect to individual countries, or to whole groups of countries, could force many borrowers to adjust too rapidly. The consequent reductions in

ad Bid Offer day week Yield 1881, 981, -01, 0 18.35 1881, 59 0 +01, 19.63 1981, 99 +01, +01, 17.19 1971, 981, 0 -01, 17.68 1882, 99 -01, 0 16.56 11001, 1001, 0 +01, 16.22 11001, 101 +01, +01, 16.23 1931, 95 0 -01, 10.82 99 991, -11, -01, 10.82 99 991, -11, -01, 10.88 199 991, -01, -01, 10.88 1001, 1011, -01, -01, 23

OTHER STRAIGHTS Issued Bid Offer day week Yield

'No information available—previous day's price.

† Only one market maker supplied a price.

† Only one market maker supplied a price.

Streight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on weak = Change over price a week earlier.

Moating Rate Notes: Denominated in dollers unless otherwise indicated. Coupon shown is minimum. C.dts = Date next coupon becomes effective. Spread wherein above six-month offered rate (‡ three-month; § above mean rate), for U.S. dollars. C.con The current coupon. C.yid = The current yield.

Convertible Bonds: Denominated in dollars unless other-

OTHER STRAIGHTS
Sell Canada 16 89 CS ... 100
Can. Pac. S. 16<sup>3</sup>/<sub>2</sub> 89 CS 50
Crd. Foncler 17<sup>3</sup>/<sub>2</sub> 89 CS 50
Gaz Metro. 17<sup>4</sup>/<sub>2</sub> 90 CS ... 20
OKB 16<sup>3</sup>/<sub>2</sub> 88 CS 50
Q. Hyd. 16<sup>3</sup>/<sub>2</sub> 89 (M) CS 50
Quebec Prov. 16<sup>3</sup>/<sub>2</sub> 89 CS 50
U. Bk. Nwy. 9<sup>3</sup>/<sub>2</sub> 90 EUA 18
Amro Benk 10 87 F1 ... 150
Rt. Manes & H 10 87 F1 ... 150

Sk. Mees & H. 10 87 F1

"this very special and excep-tional period." "We cannot ask the commercial banks to take all FT INTERNATIONAL BOND SERVICE the risk," added Mr Fekete. Hungary was now past its crisis of the first few months of 1982, during which there The list shows the 200 latest international bond issues for which an adequate secondary market

was "a run against our bank." Hungary's total outstanding foreign currency debt is now around \$8.6bn. Its foreign exchange reserves are at \$600m to \$700m and its 1982 maturong debt-principal and interest — amounts to a similar amount.

Mr Fekete said he "hoped" the Bank for International Hungary at its meeting next month in Basie. A total of \$210m of BIS money has been loaned to Hungary so far this

The \$260m loan, organised by Manufacturers Honover Trust, could be "a breakthrough" according to Mr Fekete. "We nee dyour help 200ds and you need our markets." he concluded.

The fact that 15 banks had been willing to lend to Hungary in a commercial credit was a "demonstration" of good faith and confidence by the West.

## Canadian Pacific slide

By Our Financial Staff CANADIAN PACIFIC, the transportation integrated group which has extensive interests in natural resources and in manufacturing, is continuing to reel under the weight of Canada's economic recession. Second quarter earnings have plunged from C\$119.6m to C\$63.7m C\$119.6m to C\$63.7m (US\$51m), leaving half-year profits at C\$110.6m, against

C\$253m previously.

Per share earnings were C\$1.53, against C\$3.52m for the half-year and 88 cents, against C\$1.66 for the second quarter.

Revenues for months totalled C\$6.28bn, against C\$5.9bn last time.

NOTICE TO HOLDERS OF

KAO SOAP COMPANY, LTD.

6 PER CENT CONVERTIBLE **BONDS DUE 1992** 

NOTICE IS HEREBY GIVEN

1. Effective as of June 29, 1982 KAO SOAP COMPANY, LTD. has changed its English name to KAO CORPORATION.

2. The above-mentioned Bonds will remain listed on the Luxen-bourg Stock Exchange under the Company's previous name but followed by the new name. Each

3. The Bonds will not be stamp-

on the statutory documents have been lodged in Luxembourg.

(now called KAO CORPORATION)

# Procter and Gamble How Gulf Oil shocked Wall Street

THE DECISION by Gulf Oil, by Wall Street professionals, companies solely because of Horizontal mergers. sixth largest U.S. oil company and the smaller of the seven sisters, to withdraw suddenly last Friday its Sobn bid for Cities Service, the country's 20th largest oil concern, has left several institutions, investment houses and speculators

high and dry. By some accounts, their losses could total a huge \$300m to \$400m - the biggest losses ever sustained by the investment community on a single

Cities Service has moved to protect its stock price by proposing to buy back about 25 per cent of its outstanding shares. At the same time it claimed it was discussing a merger proposal with another "major American company" and said if the worst were to happen it would liquidate the company. But the losses of some brokers and risk arbi-trageurs will be nonetheless substantial. Before Gulf announced its

decision, Wall Street had regarded the deal as already in the bag. For more than a year, Cities Service had been a takeover target. After an acri-monious battle with smaller Mesa Petroleum, Cities finally found Gulf to rescue it with a friendly \$63 a share cash and securities bid. Most people expected anti-trust objections to the merger, the first between two large U.S. integrated oil companies, and the third largest in U.S. corporate history. But the consensus was that these problems would be easily resolved and the But the consensus was narriage consumated.

Gulf's offer was viewed as generous. The speculators and acquired substantial positions in Cities Service. They paid between \$40 and \$60 a share, expecting to make a tidy profit by cashing in their shares at Gulf offering price. In all, between 15m and 20m Cities Service shares were acquired

professionals These were screaming up the wall yesterday claiming, like Cities Service's management, they were astounded, shocked, stunned and disgusted by the Gulf surprise move, which apparently also took by surprise the investment advisers of Cities

Service. Gulf claimed it was unable to go ahead with the deal because of the tough approach the Federal Trade Commission, the U.S. Government anti-trust watchdog, was adopting towards the proposed merger. The FTC said it would only clear the deal if Gulf shed a substantia. number of assets, including a

major oil refinery.

sarily bad." has become a The anti-trust authorities had major integrated oil companyfirst Conoco, then Marathon Oil. But Gulf was thought to stand sions, was making hostile bids.

their size.

anti-trust litigation Gulf, on the other hand, was making a friendly bid, and both

In turn, this meant a direct

challenge from the other oil

company leading to bitter liti-

gation and the dredging out of

the most obscure aspects of

Paul Betts finds the collapse of the \$5bn Gulf-Cities Service merger proposal could cost investors and speculators as much as \$300m to \$400m.

Wall Street Professionals accused Gulf of using the FTC as an excuse. They claimed the company had apparently had second thoughts on the deal and decided to pull out.

Whatever the merits of the argument, the collapse of the merger, does reflect a tougher anti-trust policy on the part of the FTC than had ben expected. As early as July 25, the FTC indicated it would seek to block the deal. However, there was widespread optimism that the FTC objections would not torpedo the whole deal and that the two companies would be able to get round the agency's objections.

This optimism was further enhanced by the generally more lenient approach to anti-trust policy by the Reagan Administration, which only recently issued new anti-trust guidelines indicating it would no longer

consummate the marriage as soon as possible and co-operate overcoming any anti-trust difficulties.

But even in these days of more accommodating anti-trust enforcement, the FTC was clearly worried by the merger. which would have set an important precedent in U.S. corporate history. Major oil company mergers have traditionally been hot political issues. Barely two years ago they would have been unthinkable, but the Reagan era was expected to change all this. The oil companies, especially Mobil, decided to test the new anti-trust climate, but so far they have failed to pull off one big merger.

The new anti-trust guidelines are by no means as loose as they may seem superficially. core of the Reagan philosophy is object to a combination of two zontal and vertical mergers, pocket.

Big is not neces- two companies with similar types of operations competing favourite slogan of the new in basically the same markets generation of anti-trust busters, attempt to combine their are unacceptable. business. previously blocked two attempts. On the other hand, vertical by Mobil to acquire another mergers, however large, nov have the Reagan blessing.

These mergers, which extend or complete a vertical chain of a better chance than the rival integration of two given comoil giant. Mobil, on both occa- panies, are no longer deemed as posing an anti-competitive threat. This was the reason why Du Pont was able to acquire Conoco last year in a \$7bn deal which is still the largest ever acquisition in the country's history.

Thus the stock market miscalculated and misjudged the new anti-trust policies of the Reagan administration. So did Gulf, apparently. Beyond the immediate impact the FTC has had on the Gulf-Cities Service deal, the events of the last few days have more far-reaching consequences. In large measure, the collapse of the Gulf deal has put the lid, for the time being at least, on major oil company takeovers. Cities Service may well seek another partner, but its search is more likely to be focused on a company other than a major oil concern.

For the market, the Gulf decision has been all the more devastating because the megadollar bid was one of the few bright spots in an otherwise depressed stock market with the Dow industrial average down below 800 and little prospect of a rallly. As a result, many more professionals played the Gulf game in the absence of any other major action in the market. It also seemed a pretty safe bet.

But even the most obvious deals are risky. If the Guli-Cities Service saga has taught the market anything, it is that The you can never take anything on based on the concept of hori- you have got the money in your

# Widespread falls in Eurodollar bond prices

THE EURODOLLAR market saw prices fall by 1 to 1 point last night after a day of

point on the back of Friday's compared with an issue price of disappointing U.S. M-1 money supply figures and continuing new issue indigestion. But day before recovering to a bid prices recovered later in the price of 98½ last night.

bond day, mainly among seasoned bonds. New issues have traded

The day began with prices and the Du Pont 141 paper was marked down by as much as one quoted yesterday at 97 to 971 par. Deutsche Bank's 144 per cent bond hit a low of 98 yester-

In West Germany a DM 100m Telegraph through Deutsche Bank. The coupon is 94 per cent at par. This issue will not be

helped by the news yesterday that Standard and Poor's has cut the ITT credit rating on some subsidiaries from Single A to

The Euro D-mark bond sector 10-year issue was launched for fell 4 to 2 point yesterday and international Telephone and the Swiss franc sector was down ¿ point in moderae trading. A samural bond is being arranged for Eldorado Nuclear. Canadian group, through Daiwa Securities. The 10-year issue hears a coupon of 81 per cent at a price of 99.60 to yield 8.56 per cent.

These securities having been sold, this announcement appears as a matter of record only.

U.S. \$ 50,000,000

# SUMITOMO FINANCE (ASIA) LIMITED

(Incorporated with limited liability in the Cayman Islands)

15 1/2 % Guaranteed Notes Due 1989



Unconditionally guaranteed as to principal and interest by

# THE SUMITOMO BANK, LIMITED

(Kabushiki Kaisha Sumitomo Ginko) (Incorporated with limited liability in Japan)

SUMITOMO FINANCE INTERNATIONAL

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BANK OF AMERICA INTERNATIONAL LIMITED BANKERS TRUST INTERNATIONAL LIMITED BANQUE NATIONALE DE PARIS CHASE MANHATTAN CAPITAL MARKETS GROUP CITICORP INTERNATIONAL GROUP CREDIT COMMERCIAL DE FRANÇE CREDIT SUISSE FIRST BOSTON LIMITED DAIWA EUROPE LIMITED

DRESDNER BANK AKTIENGESELLSCHAFT MERRILL LYNCH INTERNATIONAL & CO. MORGAN STANLEY INTERNATIONAL SALOMON BROTHERS INTERNATIONAL

J. HENRY SCHRODER WAGG & CO. LIMITED SOCIETE GENERALE DE BANQUE S.A. SWISS BANK CORPORATION INTERNATIONAL LIMITED

S. G. WARBURG & CO. LTD.

new notice to Bondholders will contain both names.

ed or exchanged for new bonds. 4. A complementary legal no-tice as well as the amendments

KAO SOAP COMPANY, LTD.

C.yld=The current yield.
Convertible Bonds: Denominated in dollars unless otherwise indicated. Chy. day = Change on day. Cnv. datq = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share et conversion rate fixed at issue. Promise processes premium of the current effective price of acquiring shares via the bond over the most recent price of the shares. The Financial Times Ltd. 1982 Reproduction in whole Dated: August 10, 1982

Aucaiss 75 92 80

Aucaiss 75 92 100

SNP 84 92 100

Casa Nat "Energie 72 100

Cres Natoro 84 92 50

Co-sp. Denmark 84 92 25

Cres Zellerback 64 92 100

Ind Stond Finland 64 92 30

Janyas Dav. Bank 6 94 100

Kross Live 85 92 100

intries

# INTERNATIONAL COMPANIES and FINANCE

# Ottoman Bank assets sale awaits go-ahead from head of state

BY METIN MUNIR IN ANKARA

THE TURKISH authorities are remaining 10 per cent will be considering a decree which will acquired by as yet undetermined involve the Ottoman Bank Turkish companies to be found selling 70 per cent of its Turk- by the Foundation. ish business to Turkish interests. It is understood that the holders of the Ottoman Bank decree has been approved by the Turkish Cabinet, but has yet to be signed by Kenan Evren, the Turkish head of

The decree, which is believed to have been prepared some three months ago, cannot was established in 1863 by the become effective until it is Ottoman sultan Firman (Edict) signed by the Turkish head of and a convention effected state. Mr Desmond Reid, chairman of the London Committee ment and the French and of the 119-year-old bank, confirmed that the decree had then was to act as a state bank been prepared but said yester of the Turkish empire. It had day that "it could easily be that it will never be signed."

the bank would operate under title Imperial was dropped, the the foreign capital law, enabling bank ceased issuing notes and the foreign partners to transfer became a purely commercial their share of their profit institution. In the mid 1960s the

Turkish Navy Foundation and Anadolu Holding, a private The bank's legal domicile is trade and industry conglomerate. Islanbul. The committee of will each acquire 30 per cent directors reside and meet in of Turkish interests. The London and Paris.

The French and British share will retain 30 per cent of its

equity.

The decree stipulates that the capital of the Ottoman Bank be increased from Turkish lire 8m to Turkish lire 5bn (\$28m). The Imperial Ottoman Bank was established in 1863 by the

between the Turkish Govern-British founders. Its function the exclusive right of note issue. In 1925, after the formation Under the proposed decree, of the Republic of Turkey, the bank disposed of its overseas According to the decree, the network, selling

Grindlays Bank.

# Hero expects to maintain earnings at 1981 level

BY JOHN WICKS IN ZURICH

Hero food processing group, ex- land booked sales below budpects this year's earnings to geted levels and had unsatisfac-reach the same level as in 1981 tory earnings despite cuts in change rates,

Last year net profits rose slightly to SwFr 5.38m (\$2.54m) dropped by 7 per cent in the and the parent paid an unfirst half of 1982 to SwFr 290m changed dividend of SwFr 85 a (\$135.5m). According to a mid-

year to SwFr 245.7m (\$115.9m). a strengthening in the Swiss The growth came mainly from franc exchange rate, turnover in Although operations. foreign subsidiaries had substan-tial growth in sales in terms of local currencies, this was largely group sales was accounted for offset by exchange-rate changes. by floor coverings and linoleum The Italian and Spanish sub- and 24 per cent by carpets.

HERO CONSERVEN Lenzburg, sidiaries showed a profit in the the Swiss parent company of the first six months. Hero Nederthere is a marked costs. No improvement is exdeterioration in demand or expected in the coming months.

change rates.

Sales of Forbo, the international floor-covering group. share. year statement by the Zurich
Group turnover rose by 10.9 parent company, of the same
per cent in the first half of this name. this was the result of proved over the period by 6 per cent. A share of 59 per cent of

# sharply at German engineer

By James Buchan in Bonn

EXPECTATIONS this year for Mannesmann Demag, the West German mechanical engineering concern, have been trimmed further after a 19 per cent drop in orders booked during the first six months. The Dulsburg concern, which is 90 per cent owned by the Mannesmann

Although sales in the halfyear increased over 1981's first six months by 12 per cent to DM 1.36bn (\$546m), earnings were unsatisfactory, the company said in a share-

Weak internal demand

of June, excluding those with the new subsidiary Mannes-mann Demag Sack. were 6 per cent lower at DM 4.52hn, against DM 4.7hn a year earlier. With the Sack orders, the figure was 9 per cent up. The enfeebling of Demag's

export business, which accounted for a full 73 per cent of order intake in 1981, confirms fears elsewhere that export demand in the words of the Ifo Economic Institute, "will not provide the economy with support in the immediate future."

# First half dip

NEBB, the Norwegian subsidiary of Switzerland's Brown Boveri concern, reports lower profits for the first half of sales in the final six months to bring overall results about up to last year's NKr 51.9m. before tax and extraordinary

The half-year figure was NKr 18m—NKr 4m less than in January-June 1981. Operating income reached NKr 761m and orders booked.

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# **Wardley Group Limited**

A Subsidiary of THE HONGKONG AND SHANGHAI BANKING CORPORATION

August 4, 1982

# Orders fall

pipe and engineering group, saw its profits more than halved in 1981.

resulted in a 14 per cent fall in domestic orders hooked to DM 434m for this year's first half. More worrying was the 21 per cent drop in forcign orders, to DM 1.06bn. Orders in hand at the end-

# at NEBB

items.

Telefonbau treads an uncertain road

which is the third largest supthe year. plier of switching equipment to T and N needed the support ambitions in this rast growing the West German Post Office, of Bosch because alone, or in sector however. It has a 20 per the West German Post Office, of Bosch because alone, or in sector however. It has a 20 per the West German Post Office, of Bosch because alone, or in sector however. It has a 20 per the West German Post Office, of Bosch because alone, or in sector however. It has a 20 per the West German Post Office, of Bosch because alone, or in sector however. It has a 20 per the West German Post Office, of Bosch because alone, or in sector however. It has a 20 per the West German Post Office, of Bosch because alone, or in sector however. It has a 20 per the West German Post Office, of Bosch because alone, or in sector however. It has a 20 per the West German Post Office, of Bosch because alone, or in sector however. It has a 20 per the West German Post Office, of Bosch because alone, or in sector however. It has a 20 per the West German Post Office, of Bosch because alone, or in sector however. It has a 20 per the West German Post Office, of Bosch because alone, or in sector however. conjunction with its earlier cent holding in AEG's telecompartner AEG, it did not have the munications division and a faces a future shrouded in partner AEG, it did not have the munications division and a financial muscle or the range of similar stake in AEG's office uncertainties concerning the shape of its telecommunications expertise to make a strong markets and, more immediately. challenge for the markets openthe resolution of the financial ing up for supplying digital. electronic machinery for the crisis at AEG-Telefunken. The company has just pub-lished its annual results for 1981

office of the future. The link with Bosch, however, which show that sales rose 8.5 has only brought together directly T and N by interper cent to DM 1.6bn and profits were 4.5 per cent up at DM 71.4m (\$28.7m). But this hisnational standards a small company in telecommunications toric financial data is of limited terms and Bosch itself which long-term significance as last has major interests in consumer vear Robert Bosch, a major electronics but has a growing German electrical group, bought technical base in effective control of T and N electronics.

While the two companies gether have considerable the votes in a holding company together which owns 41.1 per cent of weight, the T and N and an option, grouping weight, they do not add up to a which alone could

equipment markets. Bosch has of interests together. T and N needed the support ambitions in this fast growing

Stewart Fleming looks at the German telephone switching equipment business

products business, Olympia. These strategic stakes have remained outside the T and N-Bosch axis however, with the big engineering group Mannesmann, for example, also having a 20 per cent stake in AEG's telecommunications operations, reflecting its own ambitions in the office equipment market following its purchase of control Rienzle, the business

Observers of the German telecommunications industry have been scratching their heads and asking when Bosch and Mannesmann would

machines company.

TELEFONBAU and Normalzelt, indirectly, to take majority conquickly make a major impact on make the decisive step and try the private Germany company trol of T and N at the end of the new telecommunications to pull this incoherent group

Bosch itself has, at least in public, adopted what can best be described as observer status. position is strong enough that should it want to it knows it can always intervene decisively to secure its interests. In the meantime, rather like a vulture which can see that its prey may soon expire, it has been content to watch the agonies of AEG knowing that it may be able to pick up the pieces it wants without much

of a struggle at a later date. The price of this policy has been that valuable time has been wasted, at least a year, in munications/data processing conducive to the rapid creation group with a German base which of a management team cost of will be able to the rapid creation.

In its report and accounts T and N places treat emphasis on the research and development work it has been doing to prepare itself for the market for digital telecommunications equipment. It points out that it (1986) before the German Post Office has a system in place to meet the digital trans needs for the office of the future.

This approach runs the risk of overlooking the fact that the task Bosch is addressing requires products and manage ment as well as technology and money. T and N is still insisting that, in some mysterious way, it still have a future as an independent company, a state of creating a coherent telecom- mind which scarcely seems the disparate bits and pieces will be able to compete with the disparate bits and pieces the likes of IBM of the U.S. which lie within Bosch's grasp

# Hino shows its determination to expand in the U.S.

COMPANY ANNOUNCEMENT

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

pean markets to significant assembly plant in the U.S. pean markets to significant levels. But the company is determined to find a way of assembly plant in Canada. It penetrating the U.S. market, delivered only 434 trucks last according to Mr Keiichiro Yama-according to Mr Keiichiro Yama-could penetrate the U.S. seas operations.

Bosch has 75 per cent of

lagged behind the Europeans in the U.S. but says Hino could follow the European lead by seeking a co-operative venture with an American manufac-

Or Hino might link with one of the Japanese car producers which has established a good dealer network in the U.S. Hino considers itself to be part of the Toyota group"even though Toyota's shareholding in the truck concern is only 9.8 per cent. Toyota is Japan's major car producer and second in the world, behind only General Motors of the U.S.

U.S., last year accounting for 6.5 per cent of total car sales there, or 576,500 out of 8.53m. Hino in the year to March 31, 1981, produced 74.000 trucks and buses. It also produced 240,000 one-tonne pick-up trucks and 40,000 cars for Toyota and these vehicles represented about one-third of Hino's turn-over of Y389.39bn (\$1.49bn).

It has a strong presence in the

This represented a 7 per cent increase on the previous finan-cial year but Hino's net income after tax fell 12 per cent to Y4.68bn.

Mr Yamaguchi says Hino has high hopes of getting into the hus business in the U.S. Two buses were tested by the City of New York last year and in June Hino sent another, built matters to American specifications for a follow-up test of six to 12

If the test is successful, Hino would be in the running

HINO, Japan's largest heavy for orders of several hundred to know what is happening in trucks producer, has given up buses a year from New York Japan."

attempts to boost sales in Europeans have been

assembly plant in the U.S. particularly interested in Hino already has a small Hino's new highly-automated assembly plant in Canada. It engine plant at Nitta. The company produced 80,000 engines last year of 30 different types and the Europeans are intermarket in depth it would have eted to see how Hino turns out He acknowledges that the to put its engines through the Japanese truck makers have local emission control and to put its engines through the small batches of mixed engines. Mr Yamaguchi claims that Hino has achieved high produc-

noise control tests. The Japanese company once planned a truck assembly plant for Europe, to be based in Belgium where it had space available at its parts distribution centre. But that project has been dropped. "There are too many strong European heavy truck manufacturers."

Last year 593 Hino heavy trucks were registered in England. The importer and assembler in Ireland has been re-exporting to the U.K. a scheme which neatly circumvents the arrangement whereby the Japanese have undertaken not to export built-up trucks of more than 3.5 tonnes gross weight to the UK.

Mr Yamaguchi says Hino does not expect the Irish company. J. Harris (Assemblers), to expand its sales in the UK because market conditions are so depressed.

For Europe as a whole, Hino believes that sales of 600 to 1,000 trucks a year is all it can reasonably hope for.

During the past year or so, according to Mr Yamaguchi, all the major European truck manufacturers have sent representatives to Japan to talk to Hino and the other truck makes there to establish an exchange of information about technical "The Japanese used to go to

European motor shows to see what were the new trends in turned and the Europeans want

tivity at Nitta by using a new term objective is to become the method of changing tools on the world's largest heavy truck promethod of changing tools on the machines, thus cutting the time involved to one sixth of former can look after the performance of 10 machines.

Mr Yamaguchi says Hino's growth potential lies in South-East Asia (sales last year 13,673) the Middle East (5,981) and Australia (1,948). He insists that Hino's long-

diesel-engined trucks last year. Yamaguchi admits Daimler-Benz has "a high level of technology, a long history and a well-established sales network. So it will not be easy. But one day we will do it."

999

long way to go to catch up with Daimler-Benz, the West German

group which made 110,000

# WESTERN DEEP LEVELS LIMITED

(Incorporated in the Republic of South Africa)

TEMPORARY SUSPENSION OF SINKING OPERATIONS AT No. 1 SERVICE SHAFT

It was announced in the Press on July 13 1982 that following an inrush of water from a fissure which was intersected 950 metres below the surface on July 10 1982 the sinking operations at the service shaft of Western Deep Levels No. 1 shaft complex had been temporarily suspended. No injuries were sustained or lives lost and all shaft sinking equipment was brought to the surface.

A feature article which appeared in a recent edition of a leading Johannesburg newspaper included, in a sub-heading, an incorrect statement to the effect that fissure. To allay any fears which this may have engendered in the minds of readers of that article, it is emphasised that the only area affected by the flooding is the service shaft itself of the new No. 1 shaft complex. The sinking of the main shaft of that complex, and, more particularly, the mining operations in general at the company's mine have not in any way been affected by the flooding of the new service shaft.

In the report of the directors for the quarter ended June 30 1982, published on July 23 1982, shareholders were informed that at July 19 1982 the water level in the service shaft had reached 440 metres from surface and that it continued to rise but at a much reduced rate.

Since then the water in the service shaft has stopped rising at a level of approximately 400 metres from the surface. Work is in hand to construct a concrete plug at the shaft bottom and dewatering of the shaft will then take place, turn will permit cementation to be undertaken to seal off any further water inflow and to stabilise the particular section of the shaft. Meanwhile alternative methods of overcoming the problem are being considered should this resolved before the end of this year and

that it will not significantly inhibit the development of the new shaft system, which it is planned to bring into operation at the end of 1985. August 10 1982

## ENERGY RESOURCES & SERVICES INCORPORATED Net Asset Value 30th July 1982

\$6.56

per share (unaudited)

STOCKHOLDERS FAR EAST INVESTMENTS INC.

> Net Asset Value 30th July 1982 \$1.63 per share (unaudited)



# International **Public Tender**

**Shares of COPEC** Compañía de Petróleos de Chile S.A. (CHILEAN PETROLEUM CO. S.A.)

The Corporación de Fomento de la Producción, CORFO (Chile's Production Development Corporation) kindly requests investors to submit offers for the purchase of 84,941,632 shares of Compañía de Petróleos de Chile, S.A. (COPEC), which represents 14.16% of the share capital of the company, of which 45,763,717 shares belong to CORFO and 45,763,717 belong to ENAP (Chile's State Petroleum Company), shares

which are under CORFO control. Rules and Background data covering this tender are available to investors, at Moneda 921, suite Nº 822, Santiago, Chile, subject to payment of a \$ 5,000 fee (or US\$ equivalent). Proposals should be forwarded in a sealed envelope, in

duplicate, to: Vicepresidente Ejecutivo, CORFO, Moneda 921, suite 825, Santiago, Chile, no later than 10.00 AM, September 27, 1982. All proposals will be opened before interested parties by

CORFO'S Secretary General, who will administer this activity. CORFO reserves the right to accept the offer which, in their judgement, it deems to be in their best interest, or to reject all offers without offering explanations. This tender will be conducted in accordance with the faculties

granted by Law Decree No 1068 of 1975, without being subject to the prescription of Law Nº 18045. MINISTER EXECUTIVE VICE-PRESIDENT

CORFO SANTIAGO, CHILE

# H. B. Fuller Company

has acquired substantially all of the assets of

Isar Rakoll GmbH

a wholly owned subsidiary of

Schering AG

We initiated this transaction and served as financial adviser to H. B. Fuller Company,

WARBURG PARIBAS BECKER A.G.BECKER

July 1982



# Comalco suffers sharp fall Record in mid-term earnings

BY MICHAEL THOMPSON-NOEL IN SYDNEY

COMALCO, one of the big three large-scale projects abandoned yet worked their way through Australian aluminium prod- or deferred. Last month, Alcoa the system, and would make it ucers, yesterday reported a of Australia deferred a start difficult for Comalco to main 68.3 per cent slump in net to the construction of its A\$10n tain momentum in interprofits for the six months to June, from A\$13.52m to Victoria.

A\$4.28m (US\$4.2m). The Company metal inventories loss of A\$1 4m this way against the primary metal inventories in 1000 would fell wall show of

half was 8.3 per cent higher at A\$364.3m, but interest charges rose by A\$8m to

An interim dividend of 1 cent a share has been declared com-

Australian bauxitealumina-alumininum industries are under a cloud, with several

loss of A\$1.4m this year against a gain of A\$1.4m a year earlier.

Gross revenue for the first half of 1982, in alumina production by long-leading was \$.3 per cent higher tition and a continuing weakening of international prices for aluminium

Though the weakening of the operated at an average of 80 Australian dollar against the per cent capacity in the six pared with 2.5 cents a year carlier. The directors warned that "it will be at least as difficult to earn profits in the second half of 1982 as it has been in the first half."

The Australian doular against the per cent capacity in the Six adollar had provided a months. Higher operating costs and weakening primary declining aluminium prices, the adminium selling prices had company had been forced to absorb heavy cost increases metal sales from the Bell Bay arising from continued high arising from continued high arising from continued high levels of inflation in Australia

Many wage increases had not

**Tata Iron** and Steel By R. C. Murthy in Bombay

results for

TATA Iron and Steel Com-pany (Tisco), the Indian private sector's largest company ranked by assets, and its only integrated steelmaker, has reported record profits and sales for the year ended

Turnover rose by 35 per cent to Rs 7.05bn (\$735.3m) from Rs 5.2bn a year earlier. Pre-tax profits grew by 49 per cent to Rs 776.5m from Rs 520.6m and net profits advanced by 80 per cent to Rs 476.5m from Rs 264.6m.

Mr J. R. D. Tata, chairman. attributed the record year to Tisco worked at full capacity in the year producing 1.6m tonnes of steel for sale, an increase of 4 per cent.

Second, Tisco benefited from a full year's impact of the deregulation of bar and billet prices. Third, the Government had allowed higher prices on controlled steel products. Fourth, Tisco received Rs 168.2m in compensation from the Government to halp cover steel poof. ment to help cover steel cost increases in the prior two

Tisco maintained its dividend at 15 per cent on capital increased by 40 per cent following last year's bonus issue. It has recomended an additional 2 per cent bonus share issue this year to mark its 75th anniversary.

Mr Tata is not optimistic of repeating last year's results. There are no outstanding sums from the Government for past steeel cost escalations and integrating the existing steel plant with facilities such as the new oxygen plant in the first phase of modernisation is expected to result in a marginal fall in production. Also, the steel market has softened and certain cate-gories of steel are being sold. at a discount.

Tisco has received Government permission in principle, for its Rs 3bn second phase

# **BR** personnel director BRITISH RAILWAYS BOARD Mr Leonard Ernest Nolan has Howson, Mr Eamono O'Gorman has appointed Mr John Palette as been elected chairman of the and Mr David F. Robinson are director of personnel at board STOCK EXCHANGE—northern also appointed directors of director of personnel at board headquarters. He is general manager, administration.

The director of personnel post has been created to assist Mr Clifford Rose board member for personnel. It was planned to come into effect later this year, but her beautiful forward.

but has been brought forward because of the temporary absence of Mr Rose through illness. Industrial relations at board

headquarters is the responsibility of Mr R. H. Wilcox, director, industrial relations, who will retire at 60 early next year. Mr Palette will work with Mr Wilcox to ensure continuity. Since January, Mr Palette has been directing a review of the structure of administration through out the rail business and secur-ing substantial reductions in its costs. He will continue in this work.

INTERNATIONAL ENERGY BANK has promoted Mr Ronald T. Upstone to senior vice presi-

BRITISH GAS has appointed Mr R. W. (Robin) Hill as chairman of Scottish Gas from August 31. He has been service director at British Gas head-quarters since 1977.

Mr D. A. Gilchrist is retiring as managing director of the NORTHERN ROCK BUILDING SOCIETY at the end of 1982 for health reasons but will remain on the board. Mr J. C. Sbarp, the present deputy chief executive, will be appointed general manager from October 1.

Mr T. F. Croxall has retired from the board of BSP INTER-NATIONAL FOUNDATIONS.

unit. The senior partner of Liverpool stockbrokers, Milnes Lumby Bustard, Mr Nolan became a member of the then Liverpool Stock Exchange in Mr R. Barry Carson becomes managing director of McCu Dick



E. Nolan, chairman, the Stock Exchange Northern Unit

1948. In the intervening years Len Nolan has held a number of posts, including the chairmanship of NMW Computers—the computer company set up to settle Stock Exchange business.

Mr John J. Hill bas been appointed managing director of Eric Britton and Co and Mr rman A. Orme joins the board of Meldex two companies within of Meldex two companies within
the textile division of WHITECROFT. In the group's building
supplies division, Mr John
Clayton is appointed managing
director of Giddings and Dacre
and Mr Ian W. Lowe becomes a and Bir Mr. W. Down decimes a director of Rogers and Jackson.

Mr Roger C. Whitbread joins the boards of Randalls Southern Merchants Norlond, Mr Len

managing director of McCue Dick and Co and Mr J. Stuart Pollock is appointed a director. In the engineering division, Mr Keith B. Hindle and Mr Frank R. Beath become directors of Silcoms and Mr John Hardman joins the board of Moorlite Electrical.

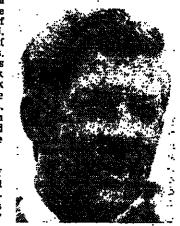
The CENTRAL ELECTRICITY BOARD has appointed Dr David E. Jeffers a director of the transdivision with responsibility for design. He succeeds Mr Frank Davenport who has joined the Electricity Council as engineer-ing advisor.

CELLTECH has appointed Mr Hugh R. L. Perrott as director of finance. He was with the Thomas Tilling Group as financial director of the health-care subsidiary InterMed.

Mr Edward R. Burrell has been appointed director and general manager, marketing of WIGGIN ALLOYS, Hereford, part of Inco Alloy Products Company. He was appointed vice-president and general manager, marketing of Inco Inc in 1975 and president in 1980. Immediately prior to the Wiggin Alloys appointment, which takes effect from September he was exceeded for September he was seconded for a year to Exide Corporation, a subsidiary of Inco ElectroEnergy Corporation, as senior vice-presi-dent, marketing and planning.

Mr Dino Troni moves to UENA VISTA INTER-BUENA VISTA INTER-NATIONAL as vice-president, continental film sales, a Walt Disney Productions company.

Mr Don Brown has been appointed area general manager of MIDLANDS BRITISH ROAD



Mr Don Brown, area general manager, Midlands British Road Services Limited

bur l ar

in Birmingham. He succeeds Mr Allan McPherson who has been 00 promoted to managing director of Midlands BRS.

Mr Peter Ince has jointed the liumboard of the Frizzell Group's at a tagged specialist subsidiary NORMAN one FRIZZELL PROFESSIONAL never

The Secretary of State for Transport has appointed Mr P. E. Lazarus, Permanent Under Secretary of State, DEPARTMENT OF TRANSPORT, in succession to Sir Peter Baldwin, who will retire from the public service in November.

Mr Tony Lynch, company secretary, has left the MERSEY DOCKS AND HARBOUR COMPANY after 25 years service to take a new appointment later in the year. His successor is Mr Bill Bowley a solicitor who joined the company in 1974

# China land deal hits HK shares

BY ROBERT COTTRELL IN HONG KONG

"IF I WERE standing in front (U.S.\$162m) sale of land to the of an express train travelling at Bank of China looks on the face 90 miles an hour, I'd get out of of it good news—would China, the way, no matter how sure I after all, buy a piece of land if was that the train was going to it planned to take it over any-

So spoke one recently-bullish
Hong Rong broker after seeing but it is paying not much more the Hang Seng index register than half of what the site would its sharpest daily fall in nine have fetched on the free mar-months, a 79.75 point plunge ket. Does China know some-through the 1100 barrier to close thing about land values in Hong at a two-year low of 1089.87. The Kong which we don't? And why market, it may be feared, has pay for it over 13 years? If the thrown fundamentals to the deal is expected to help confiwind and is trading on its own dence along, why not pay over,

vous about whether China can expiry date is irrelevant in busireconcile sovereignty and prosperity in Hong Kong when It is precisely because 1997 is Britain's lease on the New Territories expires in 1997. Then the weakening exchange rate of the ment that we don't get excited

USDlrs 125,000.-.

way in the not so distant future?

rratic psychology. say, 20, and make it clear the Investors were already ner- 1997 New Territories lease-

local dollar against the U.S. cur- whether it is 13 years or 20

day indicates the nervousness of the Hong Kong markets. "Ludicrously cheap," said one broker taking a fundamental view of current stock prices. It is cheaper still, if one imagines buying them in U.S. dollars, with the Hong Kong dollar test-ing its lowest levels against

in 1982 would fall well short of

last year's, because of cut-backs

Japan, and increased competi-

tion from West Africa: Comalco's 30 per cent owned Queensland alumina refinery

Tiwai Point smelter in New

ing its lowest levels against that currency since it cut free of sterling 10 years ago. However, investors sold the market down 50 points yester-day, went off to lunch, came back, and sold it down some

Hong Kong with its guard down -counterbalancing optimism is

in short supply.
Clients with fundamentally-minded brokers are likely to be Kong stock market at present levels, and justifiably so. But it is a market now for money which can be affordably lost, rency (it closed yesterday at years. which can be affordably lost, 16.25 U.S. cents) took the market to the edge of a precipice. To suggest that finance terms the potential long-term gains on a bank building could help may be substantial. The short-A property deal with China knock HK\$237m off a stock term outlook is for strong nerves pushed it over. The HK\$1bn market trading sideways yester- and fast movers.

SEK

U.S. \$75,000,000

# AB Svensk Exportkredit

Floating Rate Notes due 1987 and Warrants to purchase U.S. \$112,500,000 14<del>1</del>% Bonds due 1990

In accordance with the provisions of the Notes, the interest rate for the period 10th August, 1982 to 10th February, 1983 the Notes will carry an interest rate of 131/16 per cent per annum.

The amount of interest payable on the relevant interest payment date, 10th February, 1983. will be U.S.\$699.58 per U.S.\$10,000 and U.S.\$69.96 per U.S.\$1,000.

Agent Bank:

**Morgan Guaranty Trust Company** 

This advertisement complies with the requirements of the Council of The Stock Exchange

U.S. \$150,000,000

# Province of Saskatchewan



15% Bonds Due 1992

The following have agreed to subscribe or procure subscribers for the Bonds:

Credit Suisse First Boston Limited

Deutsche Bank Aktiengesellschaft

Orion Royal Bank Limited

Salomon Brothers International

Société Générale de Banque S.A. S. G. Warburg & Co. Ltd. Wood Gundy Limited

The issue price of the Bonds is 100 per cent. The Bonds have been admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the temporary Global Bond.

Interest is payable annually in arrears on 15th August, the first payment being made on 15th August, 1983.

Full particulars of the Bonds are available in the Extel Statistical Service and may be obtained during usual business hours up to and including 24th August, 1982 from the brokers to the issue:

> Hoare Govett Ltd. Heron House, 319/325 High Holborn, London WC1V 7PB

10th August, 1982



Five Arrows Fund N.V.

Established in Chracao (Netherlands Anillies)

Notice of Special General Meeting of Shareholders

to be held on August 31, 1982

Notice is hereby given that a Special General Meeting of Shareholders of Five Arrows Fund N.V. ("the Company") will be held on August 31, 1982 at 10.00 o'clock in the forencon (local time), at the offices of the Company, 6 John B. Gorsiraweg, Curacao (N.A.), for the purpose of

decreasing the authorized capital of the Company to

The official agenda of the meeting may be inspected by all shareholders at the office of the Company as well as at the offices of its agent banks, viz. N. M. Rothschild and Sons

the offices of its agent banks, viz. N. M. Koinschild and Sons Limited, London, L'Européenne de Banque. Paris, Pierson, Heldring and Pierson, Amsterdam, Pierson, Heldring and Pierson (Curacao). Curacao, Banque Bruxelles Lambert S.A., Brussels, Banque Privee S.A., Geneva, Rothschild Bank A.G., Zurich, International Pacific Corporation, Sydney.

Holders of registered shares shall be entitled to vote at

Holders of registered shares shall be entitled to vote at the meeting in person or by proxy. Holders of bearer shares shall be entitled to vote at the meeting on presentation of their share certificates or of a voucher given by any of the Company's agent banks stating that certificates in respect of the number of shares specified in the voucher have been deposited with such agent bank and will remain in deposit until the end of the meeting.

The Managing Director Intimis Management Company N.V.

American Express International Banking Corporation

London Branch US\$35,000,000 Negotiable Floating Rate London Dollar

Certificates of Deposit Maturity Date: 9th August, 1983

Notice is hereby given pursuant to the provisions of the above-mentioned Certificates of Deposit that the rate of interest (calculated as therein provided) for the next Interest Period (as therein defined) from 11th August 1982 to 11th February 1983 is 141 per cent per annum.

NATIONAL WESTMINSTER BANK PLC

THE NIPPON CREDIT BANK (CURACAO) FINANCE N.Y. 11.5.\$30,000.000 Guaranteed Floating Rate Notes Due 1987



Payment of the principal of, and interest on. the Notes is unconditionally and irrevocably guaranteed by

THE NIPPON CREDIT BANK LTD.

(Kabushiki Kaisha Nippon Saiken Shinyo Ginko) In accordance with the provisions of the Agent Bank Agreement between the Nippon Credit Bank (Curacao) Finance N.V. and Citibank, N.A., dated February 4, 1980, notice is hereby given that the Rate of interest has been fixed at 13% p.a. and that the interest payable on the relevant interest Payment Date, November 10, 1982, against Coupon No. 11 will be U.S. \$166.91.

By: Citibank, N.A., London, Agent Bank

August 10, 1982

CITIBANCO

NIPPON CREDIT BANK (CURACAO) FINANCE N.V. U.S.\$50,000,000 Guaranteed Floating Rate Notes Due 1990



Payment of the principal of, and interest on, the Notes is unconditionally and irrevocably guaranteed by

# THE NIPPON GREDIT BANK LTD.

(Kabushiki Kaisha Nippon Saiken Shinyo Ginko) In accordance with the provisions of the Notes and the Reference Agency Agreement between the Nippon Credit Bank (Curacao) Finance N.V. and Citibank, N.A., dated February 2, 1982, notice is hereby given that the Rate of Interest has been fixed at 13\frac{7}{2} p.a. and that the interest payable on the relevant Interest Payment Date, February 10, 1983, against Coupon No. 2 will be U.S.\$709.17.

By: Citibank, N.A., London, Agent Bank

**CITIBAN(** 

US \$100,000,000

Merrill Lynch Overseas Capital N.V ncorporated with limited liability in the Netherlands Antilles)

Guaranteed Floating Rate Notes due 1987

Unconditionally Guaranteed by Merrill Lynch & Co., Inc.

In accordance with the terms and conditions of the above-mentioned In accordance with the terms and conditions of the above-mentioned Notes and Fiscal Agency Agreement dated as of April 15, 1981, between Merrill Lynch Overseas Capital N.V., Merrill Lynch & Co., Inc., and Citibank, N.A., notice is hereby given that the Rate of Interest has been fixed at 121%, p.a. and that the interest payable on the relevant Interest Payment Date, November 10, 1982, against Coupon No. 6 in respect of U.S.\$5,000 nominal of the Notes, will be 115.5165.31

August 10, 1982 By: Citibank, N.A., London, Agent Bank

CITIBAN(

This announcement appears as a marter of record only.

Sharjah Cement & Industrial Development Co. Ltd. U.S. \$13,000,000

Medium Term Loan Facility

U.S. \$14,450,410

Guarantee Facility

Arranged by

Crocker National Bank

Provided by

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The Saudi National Commercial Bank-OBU-Bahrain

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June 1982

EDITED BY ALAN CANE

F.T. I

possit

# **TECHNOLOGY**

Ultra-high vacuum plumbing for the super chip

# City of London Poly goes for the superlattice semiconductor

BY DAVID FISHLOCK, SCIENCE EDITOR

a world-beating chip. It has atus designed for City Poly spent a decade in preparation, technic; or it may be a number raised £600,000 from such com- of elements which, when evapphysicist who first proposed the

Within a few weeks it hopes to take delivery of the kind of equipment shown here, designed by VG Scientific of East Grinstead, another of its sponsors. This remarkable piece of ultra-high vacuum plumbing was designed by the research group led by Dr Evan Parker in the department of physics at the City of London Polytechnic.

The technique they are using is called motecular beam epitaxy. Its aim is to build up a semiconductor from scratch, by depositing layers down to one atom in thickness, in what Dr Esaki calls a "superlattice." Molecular beam epitaxy (MBE) was developed about a

decade ago, as a way of preparing an extremely pure kind of semiconductor in which the mobility of electrons might be extremely high. If this were so, the superlattice could open the way to very fast-switching chips, as well as far greater "packing densities" for components on a chip.

Dr Parker's group was one of a handful worldwide which pioneered MBE ten years ago. More recently, the major electronics group have grown very excited, after the demonstration of high electron mobility in superlattices by Bell Telephone

Meggamond lathe

in Belgium and Dana

lathe. A Dana Posidata, Meggitt turret.

Machine Tools and Equipment

Machine tools

A RESEARCH team in the City elements. This may be silicon, seconds. This is as fast as collaboration with Dr Esaki, of London has plans to make as in the £350,000 MBE appar- Josephson junctions panies as GEC and British Tele- orated simultaneously, deposit com, and retained as its adviser as a mono-molecular layer of a Dr Leo Esaki, the Japan-born pure semiconductoring compound such as gallium arsenide (gallium and arsenic) or alu-

minium gallium arsenide. The interest in such complex depositions lies in the hope that MBE may be able to realise the full theoretical potential of semiconducting compounds, so much greater than silicon itself.

Delicacy

The delicacy of the task of growing layers only one atom deep demands computer control of the evaporation, by way of mechanical shutters carefully timed to chop off the beam of evaporating metal. In this way, for example, it is proving possible to deposit a layer of gallium arsenide moiecules, followed by a layer of aluminium gallium arsenide doped with silicon.

The interface between two such layers is incredibly sharp ways of diffusing the dopants into semiconductors.

According to Dr Parker, the work of leading groups in MBE -such as those at Fujitsu Laboratories in Japan, at the University of Illinois, and with Thumson-CSF in France-suggests that such superlattice structures, operating at cryoprove on the performance of silicon chips by a factor of 20 or

Ray Dingle in 1978. Even at liquid nitrogen tem-The essence of MBE is the perature, such superlattices Even at liquid nitrogen temevaporation in an ultra-high have demonstrated switching vacuum of molecules of pure times faster than 20 pico-

including an

It costs £31.150. Mr B. C.

tunnel diode, which earned a Nobel Prize in 1973. Today he is one of about 40 senior research fellows with IBM. based at the Thomas J. Watson Research Centre and reporting both to its direc-tor, Dr Raiph Gomory, and to IBM's chief scientist, Dr Lewis Branscomb.

> Esaki estimates that he spends about 50 per cent of his time at the Watson Research Centre, where he directs a group of a dozen; 30 per cent in his native couniry Japan where he is direc-

bigger complication for the

posed a still more intricate kind of superlattice, or "club sand-

wich" of three layers of three

different materials, such as indium arsenide, aluminium an-

timonide and gallium antimon-

ide. He believes it could be the

Dr Parker's team has set up

a three-year research project in

LEO ESARI laughs easily

and clearly enjoys his itin-

erant life. As a scientist with

Sony Corporation in Tokyo.

he invented and patented the

basis of an ultra-fast field effect

Dr Esaki has recently pro-

computer engineers.

have which will involve the deposiachieved—and such devices tion of layers as thin as 100 need to operate at liquid helium temperatures, a much Already the group has de-

signed and built a tool which can drill "cores" from such monomolecular layers one layer at a time, using an ion beam as the "bit." It then analyses the "core" automatically for purity. one atom in 1bn of impurity But Dr Parker warns that It will require an immense technological effort to turn MBE into a super-chip and get rid

the heat from perhaps mil-This ultra-high vacuum system for molecular beam epitaxy was built by V G Scientific lions of ultra-fast switches. tor of IBM Japan; and the rest consulting with such groups as that of Dr Evan Parker at the City of London Palytechnic.

He drops in to see the city researchers every couple of months, as senior visiting research fellow to the physics This group believes he

could be in line for a second Nobel Prize. In 1969 he and Raphael Tsu proposed the "superlattice," a semiconductor structure built up layer by layer, each just a single atom thick. The tech-nology is remarkably tricky but the outcome could be 20 times the performance of silicon chips.

Esaki's supperlattice could be the cine to the Japanese goal of a chip with 4m gates (the fastest today has about 0.25m). To achieve a big goal of this kind you need to collaborate closely, he says"and the Japanese are
accustomed to working in
groups. They have an extraordinary capacity for foster-

ing inventions." Britons are very creative but not so strong at fostering products. he believes. At the City of London Polytechnic, Dr Esaki is counselling a team backed by £500,000 raised from five different organisations, trying to turn his superlattice into an incredibly powerful new



Dr Evan Parker, Dr Leo Esaki and Dr Richard King.

Home technology

# 'Infotainment' for the silly season and future

BY GEOFFREY CHARLISH

IT BEING the silly season, somewhere, has invented the word "infotaindescribe the convergence of predicted telephone, audio, video and computer technology in the

A whole report on the subject, costing £695, has been compiled by Strategic International in the U.S. and International Planning Information of London (01-221

The word itself may raise a smile, but what it describes is a serious market matter according to Strategic, which believes that by 1990 a new kind of living room unit will have emerged.

In one console, it will incorporate large screen high resolution TV, audio receiver, turntable, telephone, clock, a 32 bit computer, printer and music synthesiser. There will be slots for audio cassette.

Winchester cartridge and perhaps solid state holographic media.

The user will "play" this console with keyboard, microphone. joysticks and memory/ intelligence of its own.

The report thinks that one of the main business opportualties will be the replacement of all storage media with optical storage and all the input/ output wiring with a single broadband cable.

But, it reminds us, the outlook for such standardisation is not good, although even limited compatibility will help to open up mass markets for a variety of products and services and offer opportunities for companies that are not at the moment supplying the

domestic market. Strategic predicts that in the U.S., there will be 40m home computers by 1991, while 24m homes will be connected to remote information

services. By the same year there will be more than 30m bomes connected to cable TV

All of these households are expected to be adding periheral units to enhance the effectiveness of their systems, just as people continue to add floppy discs, modems and printers to their home com-puters, and video recorders to their TV sets.

able a range of four vertical machining centres from Takisawa of Japan which are an addition to the existing range of CNC lathes. Two are designed for high speed machining of aluminium and other non-ferrous metals: the high torque versions for heavy milling in steel. Rockwell is on 01-452

Cavendish G'ty T'st Ltd. 13

# for Development

Electronics **Backing** 

Capital, the high technology enture capital offshoot of the Finance for Industry group, is injecting \$1m into a young U.S. electronics company Linear Technology.

The company was set up hus over a vear age to design and manufacture advanced linear integrated circuits for military and industrial applications. Linear circuits are special silicon chips which have many uses including amplification of electronic signals or converting between digital and analogue

The funding from TDC is in return for a 3.5 per cent equity stake in the company. It is part of a total second round of equity financing of \$4.5m which includes participation from Olivetti and the Greybound Corporation.

technology founded by four former semor employees of National Semiconductor. They believe that the semiconductor industry has been placing too much emphasion microprocessor and memory circuits at the expense of linear

TDC says that linearic mankets in the U.S. have been ignored by foreign suppliers, particularly the Japanese and believes that there are opportunities for innovative com-

According to TDC, the linear sector of the total semiconductor industry is growing steadily. By 1983 it is estimated that it will be worth more than \$2bn with 20 per cent compounded growth for the foresee-According to Mr Geoff Taylor

TDC's director and general manager: "In making this investment TDC has a particular concern for the European potential and it is envisaged that Linear Technology will be 🚌 ting up a UK activity in the medium term. **ELAINE WILLIAMS** 

## CONTRACTS AND TENDERS

CNC lathe. A Dana 3L pro- man to talk to.

## THE PEOPLE'S DEMOCRATIC REPUBLIC OF ALGERIA MINISTRY OF HYDRAULICS

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AFTER several months of technical collaboration with Mon-porated with standard equip-

Posidata, Meggitt Machine hydraulic chuck, hydraulic Tools and Equipment has produced the Meggamond CNC zontal axis automatic tool

has produced the Meggamond Dellow at 0202 746011 is the

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INVITATION TO TENDER The Ministry of Hydraulies (D.G.I.H.) is putting out an

open national and international invitation to tender for the execution of geological and exploration work on a certain number of dam sites within the framework of detailed feasibility studies and preliminary project work. Extent of Work: Boring: 10 000 ml

In-situ tests: Pressure gauge tests: 500 : Unit Scissometric tests: 100 : Unit S.P.T. tests: 150 : Unit Dilatometric tests: 100 : Unit

Permeability tests: Lugeon 1800 Unit Lefranc 360 Unit Execution of exploratory shafts: 700 ml

Interested companies may obtain the specifications from the Ministère de l'Hydraulique - Direction Générale des Infrastructures Hydrauliques - D.I.M.T. - KOUBA - ALGER. Offers drawn up in accordance with the clauses in the file must arrive in a sealed double envelope addressed as

Ministère de l'Hydraulique (D.G.A.) Bureau des Marchés, B.P. 86 (ex-Grand Séminaire) KOUBA -ALGER.

The closing date for receipt of tenders is 7th October 1982 The contractors will be bound by their offers for one hundred and twenty (120) days.

THE PEOPLE'S DEMOCRATIC

REPUBLIC OF ALGERIA

MINISTRY OF HYDRAULICS

**HEAD OFFICE FOR HYDRAULIC** 

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OPEN NATIONAL AND INTERNATIONAL

INVITATION TO TENDER

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des Infrastructures Hydrauliques) is putting out

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the file must arrive in a sealed double envelope to

The closing date for receipt of tenders is 14th

The contractors will be bound by their offers for

Ministère de l'Hydraulique (D.G.A.) Bureau des Marchés - B.P. 86 (Ex Grand Séminaire)

a lift truck.

KOUBA - ALGER).

the following address:

KOUBA - ALGER.

October 1982 at 12.00 hours.

one hundred and twenty (120) days.

Design, manufacture, supply and assembly of

# **PUBLIC NOTICES**

FINANCIAL DISPUTES ANNOUNCEMENT BY THE DEPARTMENT OF TRADE

it is stressed that claims insured ECGD are already known and uid not be re-submitted.

MOTICE IS HEREBY GIVEN that on 4th August 1952 the Court of Season. Edinburgh, ordered that the dependence of the above Petition be advertised and the state of t

**LEGAL NOTICES** 

MILLS & ADAMS (SLOUGH) LIMITED

NOTICE IS HEREBY GIVEN, pursuant to Section 283 of the Compenies Act, 1948, that a Meeting of the Creditors of the above-named Company will be held at The Core Hotel, Upper Woburn Place, London, WC1, on Wednesday, Place. London, WCI, on Wednesday. the 18th day of August 1982, at 3.30 o'clock in the afternoon, for the purposes mentioned in Sections 293, 294 and 295 of the said Act.

Dated this 3rd day of August 1982.

By Order of the Board R. C. ELPHICK, Secretary.

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- New York, 35. Avenue des Arts

- London, 1. Angel Court,

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- Frankfurt, 45. Mainzer Landstrasse

- BANQUE GENERALE DU LUXEMBORG, rue Aldringer 14. Luxem
- Luxem
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ISSUED BY MORGAN GUARANTY TRUST CY. OF NEW YORK depotitory shore less, any applicable taxes depending a hare less, any applicable taxes depending on the presentor? country of residence will be payable on and after July 22. 1982 upon presentation of Couoon No. 21 at the office of any of the following depositaries:

KUBOTA LIMITED EUROPEAN DEPOSITARY RECEIPTS ISSUED BY MORGAN GUARANTY TRUST CY, OF NEW YORK

A distribution of \$0.293 per deposi-tory share less any applicable taxes will be sayable on and after July 28, 1982 upon presentation of Coupon No 29 at the office of any of the following

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Brussels. 35. Avenue des Arb.

London. 1. Argel Court.

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**OGLI INTERNATIONAL** FINANCE N.V. OPTICAL COATING LABORATORY, INC.

The Annual Reports of the above companies for the year ending October 31, 1981 have been issued and are available from the Secretary, 2789 North-point Parkway, Santa Rosa, Call-fornia 95401-7397, U.S.A. J. WALLY 10th August, 1982.

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INTERNATIONAL & BRITISH EDITORIAL & ADVERTISEMENT OFFICES Amelerday: P.O. Box 1296, Ameterdam C. Telez: Marini: Esprenceia 32, Marini: 3, Tel: 16327. Tel: 276 796. Mauchester: Editorial and Advertising Queen's Itsa., Queen St., M2 5HT. Talex: 666813. Tel: 061-834 9381. Mexico City: Passo de la Raforma 122-10, Mexico 6DF. Tel: 535 1368. Pressels: 39 Ram Donale. Telen: 23283, Par: 512 1404, Tel: 512 9037. Moscow: Kutazavsky 14, Apartment 1, Moscow. Telez: 413300 Financi, Tel: 243 1635.

New York: Estimated and Advertising 75 Residence Press, N.Y. 10019. Estimate Teles: 66390. Tel: (212) 541 4625. Advertising Teles: 230409. Tel: (212) 489 8300. Caire: P.O. Box 2040, Tel: 751482. Dublin: 25 South Frederick St., Dublin 2, Telex: 2341.4. Tel: Dublin 603378. Paris: Editorial and Advertising Cestre d'Affaires Le Louvre, 168 Rue de Rivoll, 75040, Paris Cedex UL Telex: 220044, Tel: 297 2000. Edinburgh: Editorial and Advertising 37 George Street, EM2 2HM, Telex: 72404, Editorial Tel: 031-226 4120, Advertising Tel: 031-226 4199, Greener 15 rue du Cembrier, Telez: 22589, Tel: 311604 Hong Kong: Room 302, Hang Chong Building, 5
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Houstrow. Tel: 0532 454969.

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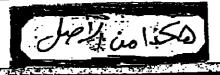
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## IN SHORT

# Decline in coffee stocks forecast

**■ WORLD** coffee · stocks could decline by some 7 per cent in i.7m bags, according to a study published by Cargill Investors Services, John Wicks reports from Zurich. Exports to consuming nations are seen as rising from 62.9m to some

> decline slightly to about 21.2m bags. In its first estimates for the 1982/63 crop year, the U.S. Department of Agriculture has already forecast a 19 per cent

63.4m bags, while consumption

in producer countries could

drop in world production to about 80.8m bags.

SEVENTH Coffee International Symposium and Trade Fair will be held in Montreux from October 3-6. Sr Alexandre Beltrao, Executive Director of International Organisation will speak on coffee quota allocations and their likely impact on producers

and consumers. THAI rubber exports in June fell from 33,545 tonnes in May to 24,625 tonnes. This compares with 28,519 tonnes in June 1981.

TANZANIAN agriculture ministry is raising producer prices for coffee, green tea, sugar cane and cocoa by between 9 per cent and 33 per cent immediately.

CHICAGÓ Mercantile Exchange recorded its second highest trading volume last months' total to 18.238m contraded. The all-time record was in June, with 3.122m contracts. ACLI INTERNATIONAL have announced the formation of a new commodity trading company, Wardley/ACLI com-modities, in partnership with Wardley Group, a wholly owned subsidiary of Hongkong and Shanghai Banking. The new the Internation company offers a range of sation (ISO). The new que services in Hong Kong and the

Asia Pacific region.

BOM scare in a building adjoining Plantation House yesterday suspended trading in gold futures and delayed robusta coffee futures opening. Trading on the London Metal. Exchange was not affected, although LME offices were

# U.S. gloom hits copper

BY JOHN EDWARDS, COMMODITIES EDITOR

the U.S. economy triggered off strike since May 1. heavy speculative selling. The fall in copper Higher-grade cash copper closed the business year 1982/83 to £36 down at £809.5 a tonne—a metal markets, in spite of the

> Traders reported that the prices exerted by the strength decline was slowed down by of the dollar against the pound. decline was slowed down by some trade buying interest at Lead the lower levels, and the fall in depressed by Asarco cutting its the value of sterling. But these domestic U.S. selling price by were overwhelmed by speculative selling, especially from making the second 2 cent New York where the downturn reduction this month. started on Friday evening However the biggest fall following the gloomy news came in tin. The cash prices about the state of U.S. industry closed £247.5 lower at £6,877.5 and the latest money supply

continue to fall. Aiding the downturn was the decline in gold, and a move by Asarco to slash its domestic selling price for copper by 4 cents to 68 cents a lb. Virtually price remains at a premium proved vaults rose after the first ignored by the market was a over the three months quota- week of spot trading by 34,292 Reuter report from Montreal an 100 arisap an Employer won that talks aimed at ending the International Tin Council buffer

figures suggesting that interest

rates may well rise, rather than

COPPER PRICES fell sharply strike at Noranda's Canadian stock to push up cash tin in on the London Metal Exchange Copper-Refinery had reached an London closer to the Straits tin resterday as a wave of impasse over wages. Workers price in Penang (equivalent at pessimism about the outlook for at the arefinery have been on current exchange rates to around £7,500 a tonne).

The International Tin Coun-The fall in copper and gold cil held a special meeting yes-terday to consider the U.S. rebrought an easier trend in other action in last week's talks in loss of £70 in the past fortnight. upward pressure on London Washington seeking a halt to sales of surplus stockpile tin, The buffer stock manager claimed the trip was a success was additionally in spite of the reported refusal of the U.S. to suspend another 2 cents to 24 cents a lb

> houses fell last week by 420 tonnes reducing total holdings to 40,225 tonnes. The rest all rose marginally. Copper stocks were up by 25 to .144,650 tonnes; lead by 25 to 114,600; zinc by 150 to 69,300; aluminium by a tonne reversing the strong up ward trend during the past two keeks. Traders claimed that covering of previous "short" (sale) positions had now been 25 to 213,150; nickel by 48 to completed and the market lacked buying interest. At the same time the cash

1.386 tonnes, and silver holdings by 120,000 to 36,750,000 troy ounces. On the London gold futures market stocks in ounces to a total of 116,795 fine

Tin stocks held in LME ware-

# Philippines sugar output to rise

BY OUR MANILA CORRESPONDENT

on last season's 2.31m tonnes, according to the Private Development Corporation of the Philippines (PDCP).

PDCP, one of the country's largest companies, which is engaged in development financing as well as acting as an investment house, maintains that the increased production is important in view of the increased export quota recently granted to the Philippines by the International Sugar Organi-

1981 to 1.39m tonnes in 1982. Sugar exports in 1981 were esti-covering 60 per cent of the cost mated at 1.24m tonnes raw of production, significant losses value, compared to 1.79m in are also being incurred on 1980. The drop was attributed domestic sales. to falling sugar inventories. Our commodities staff adds: Valley, producer of 242,000 World raw sugar prices fell tonnes of Zimbabwe's 380,000slightly yesterday on the Lon- tonne sugar crop, says that it ment.

PHILIPPINES' sugar produc- don futures market with the dollar.

## Zimbabwe industry at risk

In its annual report Hippo

tion for the crop year 1981-82 January position closing at Yesterday morning the Lonis expected to be 3 per cent up £116.50 per tonne down £0.50 don daily price for raws was Yesterday morning the Lon-

Dealers attributed the fall to set £1 down at £105 per tonne the latest beet test results and the price for whites was from Europe. These, from both down £3 at £122 per tonne. France and West Germany. This narrowing of the pre-indicate that higher yields are mium for whites over raws, to be expected from this year's caused primarily by the start crop in both countries. This of the EEC new series releases, bearish fundamental was partially off-set by the weakness down to its lowest level since of the pound against the September 1979.

FALLING WORLD prices are will lose Z\$6m (£4.5m) in sation (ISO).

The new quota will allow the industry into the red, the pares with a profit of Z\$7.9m

Philippines to increase its country's largest producer last year to March, 1982, and exports from 1.75m tonnes in claimed yesterday. With export prices now barely in the previous year.

Although total exports will be 185,000 tonnes, low world prices will see a fall in the country's foreign exchange earnings. Officials were hopeful of an increase in sales to the U.S. being negotiated by the govern-

# Cash boost for Jamaica bananas

By Canute James in Kingston

THE JAMAICAN government is putting \$30m into the Island's banana industry in an effort to rebuild exports to the UK. The Commonwealth Development Corporation is: providing \$15m with the remainder coming from government funds, and from: United Brands of the U.S.

Up to three years ago, Jamaica provided about 25 per cent of all British imports, but following a hurricane in the summer of 1980, exports fell from about 70,000 tonnes per year to 20,000 last year. Mr Percival Broderick, the agricultural minister, has spoken of rais-ing exports to 150,000 tonnes

United Brands has been asked by the government to improve the quality of the fruit exported to Britain.

Jamaican bananas have acquired a reputation for being of poor quality, and the re-building of exports is thought in the industry here to be very difficult as better very difficult as better quality Latin American fruit have taken over Jamai<del>c</del>a's share of the market.

## Potato planting target attacked

By Our Commodities Staff

THE POTATOE Marketing Board's announcement last week that it had reduced its planting target for 1983 has surprised and disappointed the UK potato processing industry. This year's target of

163,000 hectares is already too low according to the Potato Processors' Association and the PMB's decision to cut the figure to 161,000 hectares next year was "a great disappointment." The crispers, dehydrators and

frozen and chilled chip manu-facturers who make up the As-sociation together take more than 20 per cent of the UK "We were looking for an in-

crease in the target area," its chairman, Mr Richard Harris, said yesterday.

## TROPICAL TIMBER

# Painful dilemma for Sabah

BY DAVID DODWELL

the Sabah government in a painfull dilemma.

Sabah is second only to Indonesia as a source tropical timber. The decision both indonesia and the Philippines to ban exports of unsawn timber has given Sabah an even more spicuons role.

Timber is critically important to Sabah. As well it accounts for over 40 per cent of the state's export earnings in 1981, and over 60 per cent of timber licences were used as of 1982 implies a further 45 per the primary form of political cent leap. Exports in the four patronage, and were the pass-port to wealth for the lucky

Today, prospects look rather cu metres different. Unsawn timber, 70 last year. per cent of which goes 10 Datuk H Japan, has fallen in price to \$105 per cubic metre, less than half the price of a year ago. A state government royalty of about 50 per cent means that most loggers in the state's interior are operating at loss and that timber exporters from the U.S. and the Soviet Union can deeply undercut

The slump in timber prices is blamed on the world recession in general and to stagna-tion in the U.S. house-building market in particular. The U.S. slump has turned that country from a net importer of timber into a substantial exporter, further aggravating the fall in

Sabah's prices.

world prices.

Now the Sabah Government has to decide whether it should try to maintain earnings from timber exports by encouraging the sale of unsawn logs, even though this undermines efforts to establish timber processing industries in Sabah itself, and dilutes the efforts of Indonesia and the Philippines to do the same. The export bans are an attempt to force the main log importers - Japan, Korea and Taiwan-to set up timber pro-

THE RECENT collapse in countries. The alternative oil exports, worth just M\$585m world timber prices has put would be for Sabah to cut back in 1976, have filled the breach, exports in solidarity with Indo-nesia and the Philippines, and suffer the bardship which the Sawn timber products, which of cut in sales would entail. include plywood and veneers.

At present it seems Sabah is trying to get the best of both worlds. It is formally committed to cutting back log exports, increasing the export of processed timber products, and with export earnings rising to extensive reforestation. But M\$53m. Export volume for the recent statistics show that log exports are substantially up. After rising 6 per cent between 1980-81 to 8.7m cu metres, the state revenues. Until recently, trend for the first four months months to the end of April amounted to almost 2.8m cu metres, compared with 1.9m

> the increase was not at odds with his commitment to cutting exports to 6.5m cu m this year. Land clearance, he said. putting extra logs on the market strictly over the short term. Replanting of forest areas also meant clearance of old logs, adding to export volume.

cu metres in the same period

But his case seems more than thin. An editorial in the local daily said on Tuesday: timber still the undisputed lifeline of the state, and likely to be so for a long while yet, we have little choice (but to lift exports) if the hectic tempo of development launched half a decade ago is to be sustained. This is notwithstanding the plummeting timber prices."

dependence on timber, have been notable.

unsawn : logs In 1976, state's M\$2.2bn exports. By 1981, excellent long-term opportunithis had fallen to 38 per cent ties in export-orientated processing plants in the exporting of exports worth MS4.4bn. Crude

trebling in value to M\$1.57bn last year.

have leapt from nothing in 1976 to account for M\$134m last year. Figures for the first four months of this year show a further 77 per cent increase, period to April amounted to 158,000 cu m-68 per cent up on the same period in 1981: Mr Majid Kahn, chairman of Sabah's Timber Exporters' Association, forecast that by 1990, just 30 per cent of state revenues will come from timber. A further 30 per cent

from agriculture and the rest from industry. chief minister, challenged should be more safely diversithe increase when the increase with the incr we will remain extremely vulnerable to fluctuations in the world price of timber."

will come from gas, 30 per cent

## Shell in NZ forestry deal

By Dai Hayward in Wellington

SHELL OIL is joining New Zealand Forest Products—the country's largest forestry operator - in a multi-million-dollar long-term forestry development. It will involve initially plant-ing 75,000 acres with radiata pine in the northern part of New Zealand. The initial land purchase and planting costs will be \$NZ 70m. Later the consor-For all that, the efforts of the Sabah government to establish timber processing industries, and to reduce the Sabah government to the Sabah government to the stablish timber processing industries, and to reduce the salar for back-up industries. The salar for back-up industries industries, and to reduce the salar forms of the salar fo Mr Bob Broughton, Shell's managing director, said: "My company wants to invest significant amounts in New Zealand accounted for 54 per cent of the over the next 30 years. We see

## LONDON OIL SPOT PRICES

Latest + or -CRUDE OIL-FOR (\$ per barrel) 

PRODUCTS—North West Europe CIF (5 per ton) Premium gasoline....327-330 | -3.0 Gas oil..............281-285 | +1.5 Heavy [vel oil............152-153 | -

Gold fell \$10 an ounce from fixed at FFr 75,700 per kilo sharp rise.

In Luxembourg the dollar per ounce equivalent of the 124 kilo bar at the fixing was \$337.75 from

LONDON FUTURES Month Yest'rday's +or Business
Close - Done £ per troy August ... 197.50-8.50 - 5.75 188,70 Sept mb 199,00-0.00 - 2.40 200,30-0.40 Cotober ... 201.40-1.50 - 5.47 201.30-2.70 November 20.52,75-5.60 - 5.58 205.70 December 20.52,75-5.50 - 2.92 295,40 January ... 207.00-7.50 - 2.575 February ... 209.00-10.51-1.525

In Paris the 121 kilo bar was Aug. 9 Gold Bullion (fine ounce)

(£19814-19834) | \$346-347 (£19812-199) | \$345-346 (£199.463) | \$346,125 (£198.441) | \$344.75 Gold Coins Aug. 9 (£50-51) (£431<sub>2</sub>-443<sub>4</sub>) (£2411<sub>4-</sub>543<sub>3</sub>

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Manager Financial Times

10 Cannon Street, EC4P 4BY

Weakness in the European currencies lad to a lower opening end a further fall in pices before support came into the market. Prices steaded again, to and closed near the highs. Yest'day's + or : Business

**GAS OIL FUTURES** 

20	MONTO	closs	<u> </u>	Done
15	-	\$ U.S.		
13	August	Per tonne 290,25	4 7 50	292.50-88.50
	Sept	285.25	+2.75	283.25-79.50
	Oct	287,00	+ 2.00	287,50-82.00
	Kov	288.50 289.50	+2.73	288,25-63,75 288,50-86,00
ne)	Dec	289.50	+3.50	
	Fab.	289,50	-0.50	
	March	289.50	-1.00	
	April		<u>2,50</u>	
	Turnover:	1,432 (2,	03:)	iota of 100

# **GOLD MARKETS**

Friday's close in the London bullion market yesterday to moon compared with FFr 75,700 (\$334.68) in the morning and opened at \$3351-3361, its low for the day and touched a best level

In Zurich gold finished at \$335of \$3381-339. The softer trend 338 (\$343-346). was due mainly to a rise in U.S. interest rates and the dollar's

was fixed at DM 27,575 per kilo (\$338.98 per ounce) against DM 28,020 (\$348.0) previously and closed at \$335\dagger336\dagger from

In Frankfurt the 121 kilo bar

Tumover: 172 (258) fats of 100 troy

\$345\4-347 (£204\4-204\4) | King Sov \$84\2-86 \$178\1-179\2 (£105\1-105\2) | Victoria Sov \$84\2-86 \$91.92 (£55\1-34\4) | French 20s \$75\1-76 \$27.38 (£21\1-82\2) | 50 pess Max. \$93\4\15\2 \$345\1-347\4 (£204\1-204\2) | 100 Cor. Aust \$226\1-529\4 \$80.80\2 (£47\4-47\2) | \$20 Eagles \$386-591 ( \$386-391 (£1921<sub>2</sub>-1941<sub>5</sub> \$386-391 (£2271<sub>2</sub>-2301<sub>2</sub>)

**COMPANY NOTICE** 

UNILEYER N.Y. 914% U.S.S100 MILLION BOND LOAN 1979/1987 94% U.S.\$100 MILLION BOND LOAN 1980-1986/1990 Report of the Trustee over the anan-cial year 1981 is available for bond-holders with Midland Sank Ltd. 60. Gracenurch Street, London ECSP SBN, and with the offices of the Trustee: Nieuwe Zilds Voorburgwal 326-328, 1012 RW AMSTERDAM, The Nether-

The Trustee NEDERLANDSCHE TRUST-MAATSCHAPPIJ B.V. Amsterdam. 4th August 1982.

ART GALLERIES

BLOND FINE ART. 33. Sackville St., W1. 01-437 1230. GALLERY ARTISTS. Until 18 Sept. LEFEVRE GALLERY, 30, Briton St., W1 01-493 1572-3, XX CENTURY WORKS OF ART, Mon-Fri. 10-3. SEVEN DIALS GALLERY, Covent Garden, Loadon, WCZ. Ian Anderson—PAINT-INGS. Eric Anderson—SCULPTURE, 9-14 Aug. 10-5 pm, 01-836 7901, (Second showing). (Second Showing).

SIR WINSTON CHURCHILL Exhibition of Palacings at Wilmer Wayne Fine Art. 17 Old Bond St. W1. 01-829 4511. Old Bond St. W1. 01-629 4511.

THE PARKER GALLERY, 2 Albemarie St., Piccadility, W1: Exhibition 0 Old Marine, Military and Sporting and Topographical Prints and Paintings of Ships Models.

WHITECHAPEL ART GALLERY, E1. 377 0707. Tube Aldgate East. To Sept. SIR CHRISTOPHER WREN. Sun. Fri. 11-550. Thurs. to 7:50. cl. Sat. 6.29 & 30 Aug. Admission E1 (509) free children & Mondays 2-5:50.

## BRITISH COMMODITY MARKET BASE METALS

BASE METAL prices opened sharply lower on the London Metal Exchange in line with Finday's closing New York levels, and communed to fall. The declines were offset to some extent by the weekness of sterling. Copper was finally £822.5, after a low of £816. Tin fell to £8,800, Lead to £306.5. Zine to £414, Aluminium to £569 and

COLLEC	O	- 1	ALIAL LINE	"
	£	£	£	€
HighGrde Cash	8212.2			-36 -36
3 mths Settlem't		-27		-39.
Cathodes Cash		-28,6 -26,2	785-6	-34.
3 months Settlem't	8126 794	-26 -26	802-3 470-75	-34 
U.S. Prod.	nated Me	toil T	rading rep	nries
that in the	e momin	g hig	her-grade	cash
£838.00.	37.00. 3	5.00,	34.00.	33.00,
27.00, 28.0 Cathodes:	Three me	anths	£812.00.	Kerb
Highter G 30, 29, 38	.5. After	noon	: Higher (	Grada
24.00, 24.5	0. 24.00:	23.0	25,50, 3, 34,00,	14.50,
24.50, 25.0	10, 22.00,	22.5	0, 23.00, 2	32,50,

24.50, 25.00, 22.00, 22.50, 33.00, 32.50, 32.50, 32.50, 21.50, 21.00, Kerb: Higher Grade three months £819.00, 18.5, 18, 16, 18, 19, 0, 21, 20.5, 20, 21, 22, 23.

Turnover:	32,975 1	оплва	5.	
TIN	a.m. Official	+01	p.m Unoffi	ciai †
High Grad Cash 3 months Settlem't Standard	7035-48 6980-90 7045	£ -45 -60 -46	£ 6865- 6800-	
Cash 3 months Settlem't Straits E. NewYork	7035-45 6980-90 7045 \$29.15	—45 —60 —45	6800-	500
three mo	orning: Sinths £71( urb: Stan 60, 70, 8	X), 74 dard	0, 70,	60.

Cash......299.5-350 -5.5 238.5 -5.25 3 months; 310.5 -6 308.5 9 -5 Settlem' 500 -6.5' U.S. Spot - 28-8 ......

Lead—Morning: Cash £300.00, 299.50, hree months £311.00, 10.00, 11.00, 0.50, 10.00, 10.50. Kerb: Three nonths £310.00. Afternaon: Three nonths £309.00, 08.50, 08.00, 07.02, 8.00, 07.50, 08.00, 09.00. Kerb: hree months £307.00. Turnover, 7.850 nones. ZINC Official - Unofficial -

Cash 411.52 -5 405.66.5 -7.5 115.10 (115.05). 3 months 417.758 -875 412.5-5 5.75 GRAINS 2 menth 412 -5 57.40.5 .... The market to Zine-Morning: Three £417.50, 17.75, Kerb: Three £418.00. Alternoon: Three months £416, 15.5, 15, 15.5, 16, 15.5, 15, 14.5, 14, 13, 14, 13.5, 13, 12. Kerb: Three months £412.00, 12.5, 13, 13.5, 14. Turnovar, 7,100 tonnes.

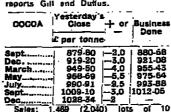
a.m. + or p.m. + er Official - Unofficial - f Spot ...... 552.5-3.5;+1.25; 552-3 ....... 3 months; 571.5-2 |+2.25; 571.5-3 |+1.25

Aluminium—Morning: Three months 5573.00, 74.00, 73.00, 72.00, 71.50. Kerb: Three months 5572.00, 72.50, 72.00. Afternoon: Three months 5472.00, 71.50, 72.00, 71.50, 71.50. Kerb: Three months 5572.00, 71, 70, 69. Turnover, 13,850 tonnes. a.m. + or p.m. + or Official — Unofficial — NICKEL Spot ...... 2880-5 -22.5 2870-5 -2.6 5 months 2835-45:140,5 2825-30 -25 Nickel Marning: Three months (2.840, 45, 50, 45. Kerb: Three months

Silver was fixed 11.2p an nunce lower for spot delivery in the London bullion market yesterday at 387.8p. U.S. cent equivalents of the fixing levels spot 657.5c down 24.5c semt threemonth 678.3c, down 24.2c; six-month 707.3c, down 25.2c; and 12-month 745.0c, down 24.3c. The metal opened at 389-391p (658-662c) and closed at 379-382 (643-647c). SILVER Spot ...... 387,80p -11.2 377,85p -21.7 3 montha 398,30p -11.2 388,75p -21.5 6 montha 408,30p -11.7 - ...... 13months 428,30p -11.0

LME—Turnover 90 (50) lots of 10,000 gzs. Morning: Cash 387.5. Three onths 398.0, 98.5, 99.0, 98.5. Three months 391.5, 89.0, 88.5, 89.0, 88.5, 88.5, 89.0, 89.5, 88.5, Kerb: Three months 390.5, 91.0.

Light commission house selling in thin conditions at the opening caused futures to weaken 15p but trade house support later steaded prices as the earlier gains were pared. Producers remained withdrawn but manufacturar price-fixing was evident at the lows, reports Gill and Duffus.



1,469 (2,040) Section 10 to 10 t COFFEE

Further long liquidation in September prompted a weaker reports Drekel Burnham deepite a 2 cent loss in string. Pricas drifted lower in thin volume. Trade buying erased losses but continued pressura in nearbys and easier levels created a return to the lows. COFFEE Yest'day s' + or Business Close - Done

Sept. 1193-94 -3.0 Nov. 1089-90 -2.0 January 1035-37 +1.0 March 995-96 |+3.5 May 970-75 +6.0 July 943-44 |+1.0 Sept. 930-35 +5.0 

The market traded quietly easier after an unchanged opening during the morning session. In the after-noon commercial buying timed the market back to close 45/235p up but in quest conditions, reports Acti. BARLEY

Matte | Yesterd'ys +or | Yest'rdys" + or | close | -May. 124.05 +0.05 11 July 127.35 -Business done-Wheat: Sept 29, Nov 48, Jan 23, March 10, May 12, July 2, Sales: 124 lots of 100 tonnes. Barloy: Sopt 23, Nov 24, Jan 15, March 16, May 2, Salea: 80 lots of 100 tonnes.

May 2. Sales: 80 lots of 100 tonnes. LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1 14 per cent Aug 175.50, Sept 112. Oet 113. Now 114.50 transbipment East Coast. English Feed fob Aug 112.60, 113.00 sellers East Coast. Malze: French 1st helf Aug 135.50, 2nd half Aug 136, 1st half Sept 138.50, 2nd helf Sept 137 transhipment East Coast. South African Yellow/White Aug-Sept 85. Barley: English feed fob Aug 105, 105.50 East Coast. HGCA-Locational ex-farm spot prices. Other milling wheat: Eastern 113.00. E. Mids. 113.50. Feed wheat E. Mids. 107.00. N. East 108.30, Scot-22,845, Alternoon: Three months
12,830, 25, 30, Kerb: Three months
12,830: Turmover, 210 tonhes.

\* Cents per pound. † MS per kHo.
† On previous unofficial close.

108.80.

## 93.00, E. Mids. 99.50, N. East 98.70. PRICE CHANGES RUBBER

The London physical market opened about unchanged and was very quiet throughout the day, closing dull. Lawis and Pest recorded an August fob price for No. 1 RSS in Kuala (umpur of 198.25 (199.0) cents a kg and SMR 20 171.50 (172.5).

No. 1 Yest'r'ys Previous Business
R.S.S. plose Done

Sales: 146 (155) lots of: 15 tonnes.
ni (same) lots of 5 tonnes.
Physical closing prices (buyers)
were: Spot 48,75p (50,00p); Sept
51,00p (same); Oct 51,25p (same) SOYABEAN MEAL

The market opened around 50p lower in quiet conditions, reports 7. G. Roddick. Prices drifted in mixed seriestablishing new contract lows market closed with losses of round £2.50 to £1.00:

Yesterdys' + or . Business Close - Done

Sales: 74 (67) lots of 100 topines, 1,901 (3,245) lots of 50 tonnes. SOYABEAN OIL—The market opened \$10,00 lower due to a strong dollar and lack of buying interest and closed with losses of around \$14.00. Closing prices and business done (U.S. \$ per tonne)\* Aug. 470.00-40.00, untraded: Cet 448.50-46.00, untraded: Dec 450.50-47.00, 460.00-50.00; Fab 452.50-454.00-52.00: April 460 00-53.00, untraded; June .480 03-60.00. untraded; Aug 490.00-65 00. untraded. SUGAR

Scattered selling initially caused prices to ease some E1.50 Thereafter quomtions were little changed in dulf trading conditions. No.4 Yesterday Previous Business Con close close done

Jan..., 135.00-49,00|155.00-69,08|

Tate and Lyle delivery price for granulated basis white sugar was £405.90 (same) a tonne for home trade and £210 (£211.5) for export. International Sugar Agreement (U.S. cents per pound) fob and stowed Cambbean ports. Prices for August 5. Daily price 7.09 (7.08): 15-day: everage 7.32 (7.43).

LONDON DAILY PRICE—Raw sugar 1105 (£108) a tonne cii Aug-Sept

£105 (£106) a tonne cif Aug-Sept shipment White suger daily price £122 (£125). WOOL FUTURES LONDON NEW ZEALAND... CROSS-

LONDON NEW ZEALAND... CROSS-BREDS... Close (in order: buyer, seller, business). New Zealand cents per kg. Aug 357, 364, nit: Oct 371, 378, nit: Dec 331, 394, 394; Jan 395, 397, 397, March 413, 414, 413-410; May 420, 423, 421; Aug 428, 430, 430-428; Oct 429, 443, nit: Dec 432, 441, nit; Jan 433, 443, nit; Sales; 16.
SYDNEY GREASY WOOL... Close: (in order: buyer, seller, butaness). Australian cents per kg. Oct 524.9, 525.0; Dec 525.0, 5260, 527.0-5280, March 533.5, 533.9, 533.0-532.0; May 537.5, 538.5; July 44.5, 545.5; \$45.0-545.0; Oct 537.0, 538.5; Dec 542.0, 548.0. Seles: 15.

Sales: 15. . . COTTON LIVERPOOL-Soot and Shipment Sales amounted to 140 tones. Rather more interest was shown in specialist varieties and operations improved slightly.

-55,25,2841.75 -54,5,5815 -34 £829,5 
 3 mms
 2012 - 32

 60id troy oz
 8336.5
 -10
 8343

 Lead Cash
 2398.25
 -5.25
 2526.75

 5 mths
 2308.75
 -5
 2534.75

 Nickei
 24023
 24080

 Free mkt
 230/260c
 255/285
 £250 -8.56 £169.90 -6.566/676 -11.20 365.45p -11.20 374.35p -247.5£6670 -260.£6802.5 Platin'mtr oz'y £360

\$487,5 \$557,5 £353 \$422,5

Piztin'mtr ozy £280 Freemick £157,80 Quicksilvert ... \$355,355 Silver troy oz... 387,80p 3 mths... 398,30p 7in Cash...... £5875 5 mths...... £5825 Tungsten22,0 lb \$114,23 

Olls Coconut (Phii) :\$420x Groundnut .....: Linseed Crude : Palm Malayan :\$395yt Copra Ph lip ....\$285x Soyabean (U.S.),\$247,25 Grains BarleyFut, Nov£109.10 +0.20£108.30

Maize 2136.00 Wheat Fut.Nov 2114.05 +0.05 2113.80 No.3 Hard Wint 2 

t Unquoied, x Aug-Sept. v July-Aug, w Aug. y Sept. t Oct. † Per 16 to flask. Ghana cocoa. n Nominal.

-Indices FINANCIAL TIMES Aug. 6 Aug. 5 M'th ago Y'ar ago 250 09 231.34 253.74 275.41 (Sess: July 1 1952 = 100) .

> Aug. 6 Aug. 9 M'th ago Y'ar ago 1553.9 1645.7 1559.1 1763.0 (Base: September 18 1931 = 100) MOODY'S Aug. 6 Aug. 6 M'th ago;Y'ar ago 1001,3 1000,4 998,5 1070,6 (December 31 1931 = 100)

REUTERS

Dow Aug Aug Month Year Jones 6 5 ago ago Spot 122.52 122.76 125.08 585.55 Futra 125.34 125.34 125.01 888.85 (Base: December 31 1874 = 100) The call for supplies was hampered b le attitude of users, who were not sposed to extend their commitments, a minor purchases were maintained Middle Eastern growths.

DOW JONES

POTATOES LONDON POTATO FUTURES-PILCES LONDON POTATO FUTURES—Pices moved marginally higher in early trading, but essad back to lose much of day's gains by the close, reports Coley and Herper. Nov 57.60; Fam 67.80; +0.50 (high 58.30, low 57.60); Fam 67.80; +0.50 (high 68.00, low 67.50); April 78.60; +0.20 (high 79.00, low 78.10); May 87.70; +0.20 (high 88.50, low 87.50); Nov 62.50; +0.20 (62.90 only). Turnover: 253 (97) lots of 40 tonnes.

TEA AUCTIONS The UK Monetary Coefficient for the week beginning Monday August 16 is expected to remain unchanged. LONDON TEA, AUCTION—21,452 packages were on offer at yesterday's auction. 'There was a good general demand, Bright East Africans were well appeared incess.

## AMERICAN MARKETS

Sept 7.26-7.28 (7.37).

NEW YORK, August 9.

Copper—Aug 58.10 (60.60). Sept 58.50-58.75 (61 10), Oct 59.25, Dec 60.50-61.60, Jan 60.80-61.00, March 62.50-62.70, May 64.00, July 65.20. Sept 66.50, Dec 68.50, Jan 69.20, March 70.60, May 72.00.

Potatoes (round whites)—Nov 67.8-68.0 (69.3), Feb 68.0-68.2 (69.5), March 75.5-77.8 April 88. 76.5-77.8, April 88.6.

Oct 7.44-7.49 (7.54), Jan 8.00, March 8.64-8.65, May 8.89-8.90, July 9.12-9.14, Sept 9.45-9.55, Oct 9.50-9.65, Sales: -542.00-545.00 (582.00-565.00). Tin—542.07-545.00 (582.00-565.00).
CHICAGO, August 9.
Lard—Chicago loose 24.25 (same).
Live Cattle—Aug 85.87-65.95 (65.35),
Oct 64.35-64.25 (64.35). Dec 64.40-64.33, April 62.12, June 62.75, Aug 82.00.
Live Hogs—Aug 62.55-62.65 (63.02),
Oct 58.15-69.30 (60.42). Dec 57.83-57.85, Feb 5.00, April 59.29-53.85, June 51.25-51.00, July 51.25-51.00, Aug 49.10.
‡tMeize—Sept 2393-2391; (242). Dec 245%-2974; (2482). March 26112-2614.

Soyabean Oll — Aug 17.35-17.36 (17.65), Sept 17.42-17.43 (17.74), Oct 17.57-17.54, Dec 17.91-77.90, Jan 18.18, March 18.60, May 19.01-18.95, †Wheat—Sept 337-337<sup>2</sup>, (243<sup>2</sup>-), Dec 359<sup>2</sup>,-359<sup>2</sup>, (366<sup>2</sup>4), March 379<sup>2</sup>,-379<sup>3</sup>. May 386, July 384. All conts per pound ex-werehouse unless otherwise stated. "S per troy ounce, 1 Cents per troy ounce, 1 Cents per 56-lb bushel, 1 Cents per 60-lb bushel, 1 S per short ton 12,000 lb). \$SCan. per metric ton. \$8 S per 1.000 at 1. 1 Cents per dozen. 11 S per metric ton.

181.0-181.5, May 185.5 190.5, Aug 180.0-190.5.

Pork Bellies.—Aug 8.80-83.33 (89.75), Fab 75.40-76.40 (78.40) March 74.52, May 71.83, July 69.83, Aug 69.40. †Soyabeans.—Aug 5954 (592), Sept 578-6772, 158421, Nov 5834-593, Jan 5384, March 61542, May 630, July 642, Aug 645.

. [Sovabsan Meal-Aug 170.2 (171.7) Sept 168.8-168.5 (170.3), Oct 168.8. Dec 173.5-173.3 Jan 176.4 March

# **EUROPEAN MARKETS**

261 - 2614

PARIS, August 9. Cocoa—(FFr per 100 kilos): Sect 1034-1050, Dec 1086-1100, March 1142-11.50, May 1185-1135, July 1222-1230, Sept 1252-1270, Dec 1303-1309. Sales at call: nil. at czil: nii, SUGAR—(FFr per tonne): Oct 1405-1410, Nov 1400-1410, Dec 1430-1440, March 1565-1588, May 1600-1614, July 1625-1635, Aug 1695-1668, Oct 1680-1695. Seles at call: 3.

Pec 178. U.S. No. Two Northern String 14 per cent. Aug 175. Sept 177.50 Oct 174 Nov 178. Dec 182 Maize—(U.S. S per tonne)—U.S. No Three Corn Yellow. Spot 123, affect 121. Aug 119. Sept 113 20. Oct/Dec 122 75, Jan March 127.50 sellets.

U.S. Twn Yellow Gulfrorts, Aun 241.25, Sept 237.75, Oct 231.50, New 231.76, Dec 236.75, Jen 242.50, Feb 246.75, March 250.25, April 253.25, May 255.50 ROTTERDAM, August 9.
Wheat—(U.S. \$ per tonne)—U.S.
No. Two Red Winter, Aug 138.50, Sept 141.50. U.S. No. Three Amber 170. Nov 208, Dec 213, Nov/March 217 Durum, Sept 168, Oct 170. Nov 173, sellers.

gained several pence Mediums opened barely steady but closed often dearer. Brighter Central Africans sold readly but plain sorts lost 1p to 3p. Boot's a dearer feature.

## quality 102p a kg (128p), Medium 112p a kg (109p), Plain no quotation (no quotation) MEAT/FISH

SMITHFIELD—Pence per pound. Beet:
ends 119.0 to 123.0. Lamb: English
small 53.0 to 57.0. medium 56.0 to
60.0. Imported: New Zealand PL 59.0
to 60.3, PM 58.5 to 59.5, PX 57.3 to
58.3, YL 58.5 to 59.5, PX 57.3 to
58.3, YL 58.5 to 59.5, PX 57.3 to
58.3, YL 58.5 to 59.5, PX 57.3 to
52.5, 100-120 lb 40.5 to 51.0, 120-160 lb
taol mi hritr mfr hrd mi hr mfr hr d
hrd mfw hr mfw bg mfw hrdl taod
solinhrd r a r d ahrd m f hrd mwy
hrd mfw vbg cm tha hr cmfw hm
MEAT COMMISSION—Average Fat-MEAT COMMISSION—Average Far-stock prices at representative markets. GB: Cattle 97.09p per kg lw (~2.09); GB: Sheep 120.68p per kg est dcw (~10.11); GB: Pigs 68.88p per kg lw

GRIMSBY FISH — Supply good, a demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £5.00-£5.00, codlings £3.40-£4.50; large haddock £4.10-£5.20; medium £4.40-£5.60, best L4 50-10-40, medium 14-49-19-00, nest small (53-70-)480; large skinned dog-hish £7.50-£8.00, medium £7.50-£8.00; large temon soles £8.00, medium £6.50; rockhish £2.00-£3.40; reds £1.30-£2.00; saithe £1.50-£2.40. COVENT GARDEN-Prices for the bulk

GRIMSBY FISH — Supply

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated imported Produces: Mandarines—Brazitian: 5.50-6.00. Oranges—Outspan: Navels/Lates 40 5.70, 48 6.30, 55 7.20, 72 7.20, 88 6.54, 112 6.05, 138 5.85, 140 5.25; Brazilian: 88/100 7.00-7.50. Lemons—Spania: Trays 5 kg 25/50 1.40-2.09; Outspan; 157- kg-80/195-4.00-6.09. Grapefruit.—S. African: 27 4.70, 32 5.75, 68 5.90, 40 5.75, 48 5.40, 56 5.90, 64 5.05, 72 4.35—Ruby same as White. 36 5.90, 40 5.75, 48 5.40, 56 5.50, 64 5.05, 72 4.35—Ruby same as White. Applee—Tasmanlan: Granny Smith 9.00-10.00, 'Sturmer 'Pippins 8.00-3.00; Australian: Granny Smith 9.50-10.80, Democrats 8.00-10.00; New Zealand: Sturmers 8.00-9.00, Red Dougherry 8.00-9.00; S. Afnean: Granny Smith 6.50-10.50, York Imperials 3.00-8.00; U.S.: 18 kg Red Delidfous 10.0074.00; Spanish: Goldén Delicious 7.00-8.00. Peacs—French: 28 lb loose Williams 3.50-3.80; Italian: Trays. packs. Dr. Guydri per pound 0.18-

0 22 Spanish: Trays packs per pound 0 18, Williams 0.15-0.20, Peacheantelnan: Large trays 1.60-2 80 Ptuma—Italian: Burbainks per pound 0.15-0.20; Spanish: Santa Rosa 11 lb 2:00-3.00, Spanish: Santa Rosa 11 lb 2:00-3.00, Spanish: Santa Rosa 11 lb 2:00-3.00, Spanish: S kg 2.00-2.20, Grapes—Cyprus: 11 lb Cordinal 2.50-3.00, Suitana 2.50-2.80, Thompson 4.20-4.40, Alphonse Levalloe 4.40, Rosaki 4.40 Italian: Regina 2.00-2.80, Cherries—U.S.: Per pound 1.00-1.70. Strawbernes—U.S.: 12 oz 1.60, Litchees—Israeli, 8 oz 0.75, Apricots—Hungarian: 6 kg 2.30-2.50, Nectarines—Italian: 3.00-4.50. Melons—Spanish: 16 kg 1.00-1.00 kg 3.00-3.50; French: Charentels 10/15 5.00-6.00; Dutch: Ogens 6.50-8.00. Weitermelons—Spanish: 16 kg 5.00-5.50; Italian: 4.50-5.50. Pineapples—Ivory Coast: 20's 0.40, 12's 0.60; Kenyan: 6's 2.00. Benanas—Colombian: 4.50-5.00. Mangoes—Mexican: 6.50-7.00. Paw Paws—Brazilian: 7.00, Tomatoes—Dutch: 6 kg "A" 2.80-3.00, "C" 2.60-2.80. Artichokes—Brittany: 24's 6.00. Capsicums—Dutch: 5 kg Green 3.30, Red 6.40, Yellow 4.40, White 3.60, Blue 4.40, Cabbages—Dutch: 5 kg 4.00. Courgettes—Persey: Per 12 lb 1.00-1.40. New Potatoas—Cyprus: 20 kg 2.50-3.30 English Produce: Potatoes—Per pound new 0.03-0.40. Mushroome—Per-pound, open 0.80-0.70, closed 0.60-0.80.

New Potatoas—Cyprus: 20 kg 2:50-3:30
English Produce: Potatoas—Per pound new 0:03-0.04. Mushrooms—Per pound, open 0:50-0.70. closed 0:50-0.80. Lettuce—Per 12. round 1:00-1:80. Wabb's 1:00-1:80. Cos 1:50-2:00. Onlons—Per 55 lb 40/80 mm 2:00-2:50. Spring Onlons—Per bunch 0:05-0.88. Pickling Onlons—Per 55 lb 1:20-1:50. Carrois—Per 25/28 lb 0:80-1:50. per bunch 0:10. Courgettas—Per 12. lb 1:00-1:20. Courgettas—Per 12. lb box 0/E 2:50-2:30. Couliflowers—Per 12:10 box 0/E 2:50-2:30. Catery—Per 12/30 1:00-2:00. Wanter crop 3:20-3:60. Stick Beans—Per lb 0.12-0.25. Ground Beans—Per lb 0.05-0.08. Marrows—Per box 0:50-1:00. Sugar Peas—Per lb 1:00-1:50. Turnips—Per 28 lb 1:20-1:40. Paranips—Per 28 l 1.20-1.40. Paranips—Per 28 15-2,00-2.50.
Apples—Per pound, Bramley 0.14-0.18,
Grenadiars 0.08-0.10, Diacovery 0.200.25, Howgate 0.10-0.12, Derby 0.100.12, George Cave 0.20-0.25, Strawberries—Per 8 oz 0.50-0.70. Blackberries—Per 8 oz 0.50. Blackerries—
Per 8 oz 0.60. Plums—Per pound, Victoria 0.25-0.30, Czars 0.10-0.12, Belle's
0.15-0.20. Gages—Per jbbn 6 0.12-0.15,
Fendel—Per 5 lb 1.50. Corn.ca.Cob—
Fach 0.15. Leeks—Per 11 lb 2.00-3.00,
Loganbarries—Per 4 oz 0.70.















TASLAST

NEW YORK

ACF Industries... 2814
AMF... 1514
ARA... 2774
ASA... 3114
AVX Corp... 1514
Abbot Labs 28
Aome Cleve... 1614
Adobe Oli & Gas 1214
Advanced Micro. 2316
Astra Life & Gas 3414
Anganen (K.F.: 926

Albertsodis 554
AlcanAluminium 183
AlcanAluminium 183
AlcanAluminium 183
AlcanAluminium 183
Alcander & Al 212
Alegheny Int. 1818
Allied Corp. 2379
Allied Corp. 2379
Allie-Chalmers, 715
Alpha Portd. 1412

231<sub>9</sub> 53 181<sub>2</sub> 20 161<sub>9</sub> 141<sub>4</sub> 383<sub>9</sub>

Aug. 6

SCM ...... Scott Paper ..... Seacon .....

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F.T. 1

Barcl:

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Am. Elect. Powr. 1658 Am. Gen. Insnce. 317s Am. Holst & Dk. 9 Am. Holst & Dk. 9 Am. Holst & Dk. 9 Am. Home Prod., 353s Am. Hosp. Suppy 264; Am. Medical Inti 28 Am. Medical Inti 28 Am. Motora 31s Am. Naz. Resces. 2612 Am. Naz. Resces. 2612 Am. Naz. Resces. 2612 Am. Quasar Pet. 654 Am. Quasar Pet. 654 Am. Quasar Pet. 654	Hespital Con Household In Househon Ind Hudson Bay Hughes Too Humana	nti	IS NLT	industries Industries Industries Industries Folk Souther Am. Coai Am./Philips In. State Pwr thgate Exp. throp est Airlines  est Sagger	1534   3634	4578 1634 384 4348 3059 35 2738 278 4934 2514	Std Oil Gilfor Std Oil India Std Oil Ohio Stanley Wks Stauffer Che Sterling Drug Stevens (J.P.: Stokely Van I Storage Teah	m 14 m 185s j 204 j 141 <sub>2</sub>	2466 3434 2816 1319 1834 2056 1419 1656
Am. Standard 1814 19 Am. Standard 4334 445a Am. Tel. & Tel. 5034 5378 Amrtel. & Tel. 5034 5378 Amrtel. & Tel. 5034 5378 Amrtel. & Tel. 51 53 Amrtel. & Tel. 51 53 Amster 2012 20 Amster 1914 1914 Another Hocks 14 1334 Another Hocks 14 1334	Husky Cil Hutton (EF) IC Inds IU Int Ideal Basic I Ideal Toy Ideal Toy Imp Corp An INCO Ingersol Ran Inland Steel Intel Inter First Curtor First Curtor First Curtor First Curtor First Curtor First Cur	2234 23 2519 25 1234 13 1124 14 1145 14 145 14 145 15 167 5 168 3714 38 168 18	12 North	sstBancorp. est Inds. est Inds. est Mutual. est Steel W. con. con. idental Pet. an Drill Exp. en. en. en. en. en. en. en. en. en. en	194 384 155e 2414 206e 1718 1819		Storage Teek Sun Go Sundstrand Superior Oil Super Val Str Syntex TRW	3 1834 3514 49 2934	28 14 28 14 28 14 19 55 14 55 14 25 14
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Averyinti 2454 25  Avnet 40 403e Avon Prod 2054 2079 Baker inti 19 1914 Bait Gas & El. 2514 2514 Bangor Punta 114 1156 Bangor Punta 1178 1778 Bank America 1718 1778 Bank America 3914 3812 Bank America 3914 3812 Bank America 3914 3812 Bank America 1718 1778 Bank Of N.Y. 3914 3812 Bank America 67 178 178 178 178 178 178 178 178 178 17	Inti.Income I Inti. Paper Int. Rectifier Int. Rectifier Int. Rectifier Int. Tel & Tel Irving & Tel James (FS) Jeffin-Pliot Jeffin-Pliot Johnson & KDT Incl. Inc. KKDT Incl. Inc. KK Mart Kajeer Alum.	834 9 2.50 83 35 84 22 22 22 24 3434 35 2134 22 2134 22	Paim Pan, 5s Pan. Se Park	Group	143g 31c 255g 95g 151c	1434 356 2316 958 164 514	Texas Gas In Texas Oil & Gas In Texas Oil & Gas In Texas Utilities Texas Utilities Texas Utilities Thomas Betts Thomas Betts Thewater	18 <sup>5</sup> 4 14 401 <sub>8</sub> 171 <sub>2</sub> 658 285 <sub>8</sub>	1878 1454 4213 1718 654 29 3716
Selection of the color of the	Kujar Steel Kaiser Alum. Kaiser Steel Kanab Servio Kaufman Brd Kay Gorp Keinametal Kerr-McGee		Peop Peps Perk	ody inti	81g 371g 177g	231 <sub>6</sub> 365 <sub>8</sub> 25 81 <sub>8</sub> 38 18 1221 <sub>4</sub> 1231 <sub>2</sub> 145 <sub>8</sub>	Timken	165a	45 54 164 74 27 164 209 174 18
Black & Docker   1215   1215   Ex Cell O   24   2415	Kerr-McGee. Kidde. Kimberly-Cla Knight Rdr. h Koppers. Kroshler. Kroger. LTV. Lanier Bus. f Lear-Slegier Leaseway Tr	rk . 5819 58 iws. 2912 291 1176 12 778 8	14 Philits 14 Philits 15 Philits 16 Pitts 17 Pitts 17 Piens 16 Piens 16 Piens 17 Piens 18 Pie	p Morris p Morris ury eer Corp sy-Bowes tion ning Res'oh	4618 2458 3918 1278 5178 1236 614 88	277 475 475 475 475 475 475 475 475 475 4	Tri Continents Triton Energy Tyler UAL UMC Inds. Unilever N.V. Union Camp. Union Carbid	13.5 12.5 13.5 16.5 8.4 54.7 44.4 42.12	184 1236 1358 1678 614 5518 44
Brown & Sharp 151s 143s 143s 143s 151s 143s 151s 151s 151s 151s 151s 151s 151s 15	Lenox Levi Strauss Levitz Furntr Libby Owens Lity (Eii) Litcoin Nat Litton Inda Lockheed	381s 38 227s 23 2714 26 Fd. 201s 20 461s 49 37 37 37 37 37 37 37 37 37 37 37 37 37	Pub. Pub. Pub. Pure Puro Quai Gues RGA	atch	2014 2134 2019 2019 2019 29 39 634 1338	26% 8454 20 2252 5034 4119 658 1318	Union Oil Cal. Union Pacific Uniroyal Unt. Erands. Unt. Energy R US Fidelity G. US Gypsum US Home US Inds US Shoes US Shoes	714 es. 2314 3178 2814 1254 663 2219	2278 3 136 7 256 2256 2256 2256 2256 2356 2356 2356 2
Burndy	Lone Star Ind Longs Drug S Louislana Lar Louislana Pac Lowenstain Lubrizot Lucky Strs M/A Com. Inc MCA MaoMilian	15 20 20 20 29 29 20 29 25 20 25 25 20 25 25 20 25 25 20 25 25 20 25 245a 25 151a 151 153a 153 158a 60	Rank Rami Rayt Rayt Redn Redn Redn Reici Repu	ada inns	10-5 45-6 31-8 10-2 127-8 111-8 24-16	468 91a	US Steel	2019 4414 3419 3979 1658 3834 4934	1678 23 414 6454 4078 1634 39 5036 4078 712
Carliale Corp	Mac	71g 771g 771g 771g 771g 771g 771g 771g	Resc Resc Reverse Revices Revices Resc Resc Resc Resc Resc Resc Resc R	iblic Steel h Cottrell rt Intl A c (DSi re Copper ord ords (RJ) olds Mtis Ald iway Exps	1054 1778 2754 834 2312 912 4236 21 324	10% 1816 2814 812 2314 914 4256 2014 5214 4154	Virginia EP Vulcan Matris Walker (H) Rei Wal-Mart Ster Warner Comm Warner-Lambi Washington Pi Washs Mangt Wels Mich	1418 2518 2914 3859 1978 381 3412 3014 2736	13 41 144 25 294 404 203 345 31 27
Casenia Aircraft   15   15   15   15   15   15   15   1	Masco Fergin Masco Fergin Masco Mutti-Co Mattel May Dept. Str. Mayteg	31 12 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	Roch Rock Rohn Rollir Rollir Rope Royal	ester Gas weil inti å Haas r Gorp i Grown	135g 3214 50 111g 257a 1014 8 163g	181 <sub>2</sub> 323 <sub>4</sub> 50 117 <sub>8</sub> 241 <sub>2</sub> 101 <sub>4</sub> 82 <sub>8</sub> 161 <sub>8</sub>	Wells Fargo W.Point Peppi Western Airli Western Airli Western Unior Westinghouse Westvace Weyerhaeuser Wheelobratr I Wheeling Pitts	2456 416 1 25 1 26 2656 1756	2478 484 814 2559 2678 1759 2414
Cigna	McDonnalds McDonnald McDonnald McGraw Edig McGraw Hill McLes nTrukg Mead Media Geni Mellon Nst! Mevolile Merck Merck Mercith	694 703 509 44 3 33 509 253 253 487 471 1 174 174 143 154 354 351 354 351 354 351 354 351 354 351 354 351 354 351 354 351	Rubb Ryan Ryde SFN C SPSTI Sabin Safev St, Ps Sault Sault Sault Sault Sault Sault	Dutch	39 12 15 12 30 18 20 14 11 78 30 18 30 18 32 38 32 38 18 12 15 12	3946 1558 3012 2058 1216 3076 3013 3013 3834 1834 1578	Whiripool White Consolt Whittaker. Williams Co Winn-Dixle Str. Winnebago. Wise Elec Pow Woolworth Wrigley, Wyly Xerox Zeneta Zeneta Zeneta Zeneta	30 d. 24 191s 135s 561 <sub>2</sub> 534 07 204 17 331s 85s 2714 1334	3058 9414 9014 1358 574 6 2058 1718 3418 9754 1554 1556 1014
Indices	<del></del>		<u> </u>			<u>-</u>			_
Aug.   Aug.   Aug.   Aug.   July	nse Cmpil't'n High Low	AUSTRALIA		Aug. Aug	Aug.	Aug.	High	1982   Low	
H'me Bnds. 80.02 60.07 80.15 50.22 59.85 58.75 80.27 55.87 (27/6) (12/2)	151.70 41.92 1/1/75) (2/7/82) 	All Ord. (1/1/84 Metal & Minia AUSTRIA Gredit Aktien	. (1/1/88)	484.9 488. 848.0 847. 48.88 48.	2 548.0	476.8 854.4 48.87	685,5 (4/1) 425,1 (6/1) 68,98 (4/1)	445.2 (8, 289.0 (8, 48.68 (28/	<u>~                                     </u>
LIHINNES 104_51 104_47 105_07 108_13 105_87,103_22 716,85 106,22 1 10	(9/7/82) 63.32 10.5 (4/89) (28/4/42)	BELGIUM Belgian SE (81, DENMARK		95,68 94,	1-	i—i	182,45 (6/4)	68.42 (25	<u> </u>
Day's high 798,99 low 781.77     July 30    July 85    July 16 'Year'	ago (Approx	FRANCE GAC General (	61/1 <b>2/</b> 81)	95.4 96	.D. 98.T	97.4	128,22 (25/2) 111.8 (12/5)	109,0 (18 86,4 (8/8	
Indust'l div. yield \$ 5.92 6.73 6.74 STANDARD AND POORS	5.74	GERMANY FAZ-Aktlen (8) Commerzbank	/12/58)	220,22 228,	6 225.75		124,8 (12/5) 283,45 (5/4)	218,55 (18) 868,8 (9)	
Aug. Aug. Aug. Aug. July 2 SO High Low H	ligh Low 50,86 5,52	HOLLAND ANP-CBS Gene ANP-CBS Indus	ral (1978)	84.7 85.1 87.7 88.1	85.5	85.4 68.7	729.8 (\$/4) 96.0 (10/5) 74.8 (10/6)	84.9 (8/1) 85.2 (4/1)	
\$Comp'site 103.71: 105.15 108.14 187.83 108.88 107.03 122.74 105.71 14 (6/8) (28.	(11/80 (50/6/52 (0.52 4,497)) (11/80 (1/6/82)	HONG KONG Hang Seng Bar	nk (81/2/64	1068,67 1168.0	2,1142.02	1146.51	1445_52 (12/1)	1069,87 (9/	
Indust'l div. yield % 6.08 5.98 5.79	4.75 9.52	JAPANP		168,68 157.5	╬┈┤	168,97	212,88 (18,8)	147.93 (22	-   }
Long Gov. Bond yield 13.04 13.36 13.07	13,91	Tokyo New SE	(4/1/88)	6876,17/7068,2 518,95, 524,1	7 526.04	530,04	7928.65 (27/1) 686.29 (27/1)	6889,53 (17 618.66 (9	(B) S
Aug Aug Aug 1982 Issues Traded 1,824 1,8	g 5   Aug 4 34   1,853	Oslo SE (1/1/12) SINGAPORE Straits Times (		(c) \$28.0	8 117.88 0 651.42		150_55 (25/1) 810_78 (9/1)	109,12 (1)	-
6 6 4 8 High Low Rises 427 4, Falls 1,0 59,69 60.44 60,97 61,91 71,20 60,44 Unchanged 435 3	31 369 17 1,107 86 384 4 6	SOUTH AFRICA Gold (1988) Industrial (1988	i		457.4	456,8	569,5 (5/1) 711,7 (6/1)	556.5 (8/7) 507.5 (25/	n B
MONTREAL Aug Aug. Aug Aug. 1982	35   120 Low	SPAIN Madrid SE (59/1	2/81)	(c) 52.1	82,77	82,82	107.45 (8/2)	88,81 (18 <i>/</i> 7,	
industrials 258,57 269,28 258,65 250,57 572,78 (4,1) 241 Combined 245,58 248,84 246,67 247,47 516,08 (4,1) 25	9.68 (21/6) 7.27 (21/8)	SWEDEN Jacobson & P. SWITZERLAND		626,86 634,1		662.61	856,52 (22/1)	663,82 (28/4	5
TORONTO Composite 1415.4 1415.4 1421.1 1425.5 1866.5 (4.1)  NEW YORK ACTIVE STOCKS	(7/7)	Swiss Bank Cpn WORLD Capital Intl. (1/1		287,4 242,6 — 120,9	122,5	123.8	265.1 (11/1)	287 A (7/2 120.8 (8/8)	
Change  Change  Friday, Stocks Closing on Stocks Clother traded price day traded price day  Att Rich	rice day 384 —15	Beso valuš	a of all inc	dices are 10	) except	Austra	1.14. TSE 522.0 lie All Ordinary	and Metal:	G
Exxon 1,003,800 254 — Heubleth 488,600 Mattel 593,400 124 :- 1, Tendy 489,300 Fil Jilly 578,300 452 — 3 Přízer 485,700	57 - 3 25 - 3 537 + 3	500. NYSE Ali last named bat industrials plu u Unavailable.	-Common Bed on 19	—50; Standa 175. † Exc	rd and Juding b	Poors— onds.	-10; and Torer ± 400 indust	ito—1,000; 1 dais.	the in

Stock

Hall (FB) Halliburton Hammermill Ppr

Hammermill PPF
Handleman
Hanna Mining
Harourt Brace
Harris Bancp
Harris Gorp
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Heller Inti

Holiday Inns. 265s 271s
Holly Sugar. 32 325s
Homestake. 217s 221s
Homestake. 217s 221s
Homestake. 91s 91s
Hoover Uni. 16 16t
Hormal Geo. V. 19 191s
Hospital Corp. 321s 523s
Household Intl. 188s 184s
Household Intl. 188s 181s
Household Intl. 188s 181s
Hussias Tool. 157s 151s
Humans. 25 254

Columbia Gas .

Comp. Sciences 1314
Cone Mills. 2776
Conrac. 235s
Cons Edison 167s
Cons. Foods. 341c
Cons Freight 4014
Con. Nat. Gas. 2114
Converse Rower 165s

Grown Cork ....... Crown Zell ........ Currenins Eng ..... Curriss-Wright ...

Gt. Atl.Pac. Tea. 7 lg Gt. Basins Pet... 14 Gt Nthn.Nekoosa 30 se Gt. West.Financi. 12 lg Greyhound 22 lg Grumman 32 lg Gu f & Weston 11 lg

71g 11g 304 121g 1254 321g 12

Metromedia ...... Milton Bradey ... Minnesota MM... Missouri Pag .....

Modern Merchg 

Monarch M/T ... 1834 Monsanto... 64 k Moore McGmrk... 1834 Morgan (JP)... 63 Mutorolo... 123s Murphy (GG)... 123s Murphy (GG)... 161s Nablaco Brands... 6514 Nalico Ghem... 18

# Fresh early Dow fall of 9.8

dealings yesterday.

The Dow Jones Industrial Average, after ending 11.51 weaker on Friday at a 27-month low, dipped 9.80 more to 774.54 at 1 pm yesterday. The NYSE All Common Index retreated 80 cents to \$58.89, while more than 1,100 issues were lower. Trading volume came to 38.66m shares at

i pm.
Analysts said Wall Street is also disappointed by the failure of the U.S. economy to respond to stimulative measures from the Reagan Administration. "There Reagan Administration. Inere is a lack of confidence on the part of investors in Washington's economic policies." sald John Smith, of Fahnestock and Co.
"The Administration has been promising an economic recovery since the first quarter, and the

uragers, traders that specialise on merger speculation, are being forced to liquidate positions because of the seedine in the value of the stock of Cities Service that they are holding.

Cities Service, in an effort to stabilise the price of its stock, said it may purchase up to 20m of its shares in the open market, and added that it is again seek-

ng a merged partner. Cities Service, which fell 6 to \$371 on Friday, had not yet traded. Gulf Oil was off at \$251. generally surrendered fractions as the industry described as unacceptable the proposed agreement betwen the U.S. and Europe to limit imports of European steel.

Closing prices for North America were not available for this edition.

Markets continued to fall yesterday morning in light trading. The Toronto Composite Index was 15.4 lower at 1,398.0 at mid-sesion, while Oil and Gas shed 56:0 to 2,358.4 and Golds 44.9 to 1,557.5 1.657.5\_

Hong Kong Stock prices plummeted to a two-year low yesterday, as wor-ries over the Colony's political future deepened.

Besides the political worries, analysts cited the weakening

Hong Kong dollar, recent pre-

dictions that export and economic

growth this year would fall well below earlier forecasts, disappointing corporate interim results and Wall Street's fall to promising an economic recovery since the first quarter, and the time-table for the recovery is continually being stretched out, he added.

The National Association of Purchasing Management said its latest survey indicated the U.S. economy remained sluggish in July.

Michael Metz, of Oppenheimer and Co.. said many of the arbitragers, traders that specialise on merger speculation, are being forced to liquidate positions because of the &decline in the

HK\$210.19m. Tokyo

Tokyo

The recent fall in share prices was sharply extended yesterday as the persistently weak yen and Wall Street's fresh slide to a 27-month low last Friday further undermined sentiment.

The Nikkei-Dow Jones Average, which was 29.14 lower in the half-day Saturday session, receded 62.97 more to 6.976.17. bringing the accumulated fall since last Tuesday's close to 237.24. The Tokyo SE index ended 3.43 weaker at a 1982 low of 518.66, but trading volume was very thin, totalling 140m shares, compared with Friday's 170m and the 130m recorded in 170m and the 130m recorded in the short Saturday session.

THE COLLAPSE of the proposed Gulf Oil-Cities Service merger was partly responsible for a further sharp fall in Wall Street stock prices in active early Canada

THE AMERICAN SE Market Yesterday's Tokyo market fall cern, AEG, was close to insolvency proceedings. Trading in that Wall Street would react that Wall Street would react that Wall Street in the latest before the opening bell at the U.S. M.1 money supply figures.

Canada

THE AMERICAN SE Market Yesterday's Tokyo market fall cern, AEG, was close to insolvency proceedings. Trading in the latest before the opening bell at the U.S. M.1 money supply figures.

"Deteriorating Japanese econo- lead-manager of AEG's mic fundamentals and the ven's member bank consortium. mic fundamentals and the years fall have dashed any hope of an early return of foreign investors to Japanese stocks," an analyst commented adding that foreign purchases in August last year lifted the Tokyo market average above 8,000 to an all-time high

of 8,019.14. Foreign investors won't buy unless the yen stabilises, a trader said. By the same token, he added, if foreigners start selling, it amid districts

it could start a panic.

Export-orientated issues again led the decline, with sentiment further depressed by a heavy selling order of Hitacht shares by a private speculative investor. Hitacht lost Y15 to Y542.

Toshiba lost Y15 to Y542.

Toshiba lost Y11 to Y278, Malsushita Electric Y13 to Y971.

Minpon Electric Y16 to Y726, Honda Motors Y35 to Y655, Suzuki Motor Y11 to Y559, Sony Y60 to Y3.040, Ricoh Y16 to Y476 and Fuji Photo Y20 to Y1.350. Oil shares fell on expectations that oil companies would have to pay more for their supplies in yen terms. Tokio Nagayama, president of Japan's Petroleum

president of Japan's Petroleum Association, was quoted yesterday in the local Press to have said that "the yen's depreciation, if left unchecked, will threaten the industry's viability." Nippon Oil shed Y11 to \(\frac{1809}{800}\). Machine Tools weakened folowing news that inventories have been building up overseas due to a prolonged slump in sales. Okuma Machinery slipped Y23 to Y443.

of trading in AEG stock soured the entire market. In addition to the higher U.S. dollar, firming interest rates and Friday's Wall Street fall. West

German equities were depressed by rumours that the nation's

Commerzbank The dipped 9.6 more to a new low for

the year of 668.8.

AEG shares were still sus pended at the end of trading but brokers had said the shares were being pegged at near DM 25 in pre-market dealings before being suspended, down from a Friday close of DM 27.80. Firmer interest rates, posing higher refinancing costs, as well as threatened exposure in AEG credits caused Banks to show some of the sharpest falls of the session. Dresdner slipped DM 3.70 to DM 128. Commers. bank DM 3.30 to DM 126 and Deutsche DM 3.20 to DM 258.30

In Engineerings Dentsche Babcock, announcing higher interim turnover but lower incoming orders, dropped DM 6 to DM 170, Mannesmann Demag, presenting a similar shed DM 1 to DM 123.

**Paris** 

The sharp appreciation of the U.S. dollar and Wall Street weakness sent stock prices

broadly lower.

Traders remarked that a quarter-point reduction in the French Call Money rate had not been sufficient to check stock market fall. Declines led gains by 129 to 28 in the French section.

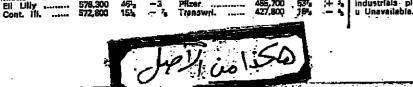
Australia

Germany
Bourse prices fell afresh over a wide front after the suspension of trading in AEG stock sourced.

Markets were inclined to drift easier yesterday in very quiet trading in the wake of the further sharp fall on Wali Street on Friday.

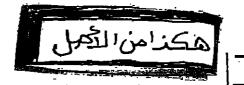
held up much better than some analysts had expected, with the All Ordinaries index ending only 3.4 lower at 464.9. Market leader BHP was just 4 cents easier at AS6.70 on the ond-largest Electricals con- day after touching A\$6.64.

le.	for this edition.	the short Saturday	session.	second-larg	est Electricais con		Erter touching Acoust.
3. 34	CANADA	BELGIUM (continued)	HOLLAND		AUSTRALIA		JAPAN (continued)
34		Aug. 9 Price +or	Aug. 10	Price + or	Aug. 9 Aust.	+ or	Aug. 9 Price + er
ig 14	Stock Aug. Aug.	} Frs.   —	ACF Holding		ANZ Group 3.48		V. 1994 1974 1974 1974 1974 1974 1974 1974
	AMCA Intl	Petrofina	Ahold	78,5 —0.4 88,3 +0.1 25 —0,1			Kyoto Geramic 3,480   -10
_	Alcen Alumin 2314 2334	Soc. Gen. Band., 2,305 —100 Soc Gen Beige 1,120 —36 Socine	ABN	267   —2 86.5; —0.8	B Aust Cons Ind 1.34	∓0.0i	Maeda Const  513   -1   Makita 715   +1
ų S	Algoria Steel 2412 2415	Solvay 1,910 —55 Traction Elect 2,440 —60	AMRO Bredero Cert	40.8:0.8	Aust Guarant 2.17	+0.02	Marudai 534 + 1
48 78 1 <sub>8</sub>	Bk Montres I 18 18 Bk Nova Scotia 234 254 Basic Resources. 2.65 2.65	Soc. Gen. Band 2,303 - 205 Soc Gen Belge 1,120 - 36 Sofina	Boskails Western Buhrmann-Tet	32.7 -1.3	Benk NSW 2,58	Mi	Matsushita 971 : -13
18		Alginement IIIIII aleas	Caland Hid s Elsevier NDU	152,5 -0.0	Bond Hidgs 0.95	-0.03	M'bishi Bank 500
	Beil Canada 171g   1634 Bow Valley 137g   141g SP Canada 23   2314		Euro Comm Tst	74,5	- Bouganville 1.27	+0.03 +0.03	M'bishi Elect 223   -4
78	Brascan A 14 134 Brinco	DENMARK	GistBrocades Heineken Hoogovens	63,4 -1.7	7   Bridge Oii 2.50	· -0.85	MH) 168 +2
36	B, C. Forest 734. 734	1 1	Hunter Douglas	8.6	Brunswick Oil! 0,16	٠	Mitsui Real Est. 573 -3
še 5g 14	CadillacFairview 514 534 Can Cement 818 819	Aug. 9 Price + or	KLM Naarden	81.5 -0.6 22.4 -0.7	3 OFF 2.55	-0.10 -0.07 -0.02	NGK inguiators 440 +2
녵	Can NW Energy 24 2414	Andelsbanken 114.2 Baltica Skand 350 +3,8	Nat Ned cert Ned Cred Bank	113.9 —0.7 27.5 —1.1	: iCostleinaine Tva - 5 D3	0.01	
14 58	Can Packers 29 29 29 Can Trusco 2012 21	CopHandelsbank 126	Ned Mid Bank	106.5 +0.5	Do. Opts 0.12	-0.01	Nippon Shimpan. 710 —2
1 <u>2</u> 7g	Can imp Bank. 1874 1854	Danske Bank 126 ; 97.6 +2	Oce Grinten Ommeren (Van)	21.7;0.1	Comples 1.95	-0.92 +0.05	Nippon Steel 151 +1 Nippon Suisan 258 -3
14 54	Cdn Pacific 2554 261s Can. Pac. Ents 145s 151s Can Tire 36 36	Forende Damp; 393   —1	Pakhoed Phillips	23.41 -0.3	Costain 1.40	0.94	
7g 34	Chieftan	GNT Hidg	Rijn-Scheide	23.9 + 0.2 197.5 0.8 125.6 + 0.5	<b>2</b>	! — <b>0,8</b> 5	Nisshin Flour
20	Cominco	Novo ind 1,802 +2	Rodamco Rolinco Rorento	193   -1.7	Gen. Prop. Trust 1,48		Nisshin Steel 145 Nomura 391 —1
7g 1g	Cont.Bk. Canada: 53; 53; 53; 63; 63; 63; 63; 63; 63; 63; 63; 63; 6	Privatbanken 122.4	Royal Dutch	.80.5 -1.7	Hooker 0.90	+0.02	Olympus
	Costain	Smidth (F.L.) 186	Tokyo Pac Hg	179.5 —3.6 153.2 —1.1	Jimbalanai50efn 0 10	-0.02	Pionost
4	Denison Mines 1834 1854 Dome Mines 712 712 Dome Patroleum 5.00 5.00	Superfos	Viking Res	96 ( —2.5 47.4 —0.4	Leonard Oil 0.16	i	Sanzo Flect
ا او	1		VNU	53.6 —0.4 65   —0.7	Meekatharra 2.75	-0.07	Sapporo
Lą Są	Dom Foundries 2734 2714 Dom Stores 1354 1358 Domtar				Meridian Oll 0.17 Monarch Pet 0.07		Shiseldo
Sg.	Domtar	FRANCE	İ		Nat. Bank	-0.04	Stanley
4 8	Gt. West Life 1.80 1.80 Gulf Canada 135s 14 Gulf Stream Res. 1.85 1.85	Aug. 9 Price + or	ITALY		News		Taihe  Dengyo  455     Taisei Corp 222     Taisho Pharm 586
ě	Gulf Stream Res. 1.85 1.85 Hawk Sid. Can 912 876 Hollinger Argus. 2312 2312	Emprunt 45% 1974 1,748 —13	Aug. 9	Price + or	Oakbridge		Taisho Pharm 585 Takeda 775 -8 TDK 5.870 -100
8	Hudson Bay Mng 144   1412	Emprunt 7% 1975. 6,800 —80 GNE 3% 3,175 +14	Assicur Gen		Pancon	-0.07 -0.01	Teilin
4	Hudson's Bay 175s 175s Husky Oil 51s 514	Air Liquide		51,485 +494 70.2 +0.2	Queen Marg't G. 0.08	· - 0.08	Tokio Marina 418 -2
	Imasco	BIC 422   -8	Sastogi Fin Centrale Credito Varesino	2,520 +300 5,550 +140	7   Santos 4,85	- U. IU I	Tokyo Elect.Pwr. 832 -1
4	Inco	BIC	Fiat Finsider	1,559 +35 33 -3 2,245 -65	Steigh (HC) 0.95 Southland Min'g. 0.26		Tokyu Corp 205
4	inter. Pipe 10   104	Carrefour	invest	7,600 +1,809		ˈ	Toshiba 278   -11 TOTO 395 -6 Toyo Selkan 418
ë 4	Mac Bloedel 183g 181g Marks & Spencar 8 8	CSF( Thomson)  141.2  -4.8	Montedison Olivetti Pirelli Co	2,490 ÷199 2,260 ÷5	Thos. Natwide 1.65 Tooth 2.88 UMAL Cons 1.80	-0.01	Toyo Seikan 418
6	Massey Ferg 2.34 2.32 McIntyre Mines 273, 28 Mitel Corp	Cie Gen Eaux 165.5 -0.5 Cie Gen Eaux 287 -3 Cofimeg			IVALIABE CARE LIDER		Yamaha 550
8 B	Moore Corp 35   36	Goffmeg	Snia Viscosa 1 Toro Assio 1 do, Pref	1,100 ÷360 8,000 +490	Woodside Petroli 0.70	-0.05	Yamazaki 515 3 Yasuda Fire 228 ; +2
•	Noranda Mines 1418 144	DNEL		<del></del>	Woolworths 1.47 Wormald Intl 2.46	+0.01	Yokogawa Bdge. 481
8	Nthn. Telecom 41& 417g Oakwood Pet 111g 115g	Gen. Occidental   577   -10  metal   44.1   -0.9					SINGAPORE
	Pacific Copper 1.10 1.10 Pan. Can. Pet. 72 74	Imstal	NORWAY	,	HONG KONG		Aug. 6 Price + ar
_	Placer Dev	Machines Bull 29,1		Price + or	1	+ 01	Boustead Bhd 1.59   -0.82
	Power Corp 81g 81g Quebec Strgp 2.80 2.75		Bergens Bank	108.5	H.K.S		OBS 6.90 -0.85
•	Ranger Oil 61g   57g	Moulinex 51,1 -0,9 Pernod Ricard 358. ; -7	Creditbank	130 —5 41.5 +0.5			Hourdon 705 -110/1
	Reed Stenhs A 11 11 Rio Algom	Perrier 171.1 -0.9 Peugeot-S.A. 125.8 +0.8 Pociain 106.1 -0.9	Kosmos Norsk Hydro	330	Cross Harbour 10 Hang Seng Bank. 68 HK Electric 5,70	0.3 4 0.55	Inchrape Bhd
-	Royal Trusco A.: 1212 1212	Radiotech	Storebrand	175	HK Kewloon Whi 3,85	~ ~ ~ !	SHIRE DELLA 1.03
_	Seagram	Roussel-Uclaf 251.1 +0.1	SWEDEN		HX Telephone 29.80	-0.58	Straits Trading 4.62 : -0.64 UBO
	Steel of Can. A 174 174	Skis Ressignol 495	. 1		Hutchison Wpa 13,80 Jardine Math 16 New World Dev 3,15	-0,9	SOUTH AFRICA
-	Teck B			roner —	SHK Prope	0.40	Aug. 9 Price + or
-1	Thomson News A 20 195; Toronto Dom Bk. 263; 253; Trans Can Pipe 18 173;	i	Aifa-Laval	210 +3 225 —7	Wheel'k Mard A. 500	—1.00 j	Rand -
₋▐	7 rans Mntn. OliA. 612 654	GERMANY	ASEA (Free)	192 —5 460 ———	WheelockM'time 4.55 World Int. Hidgs. 2.25		Abercom 2.65
	Walker(H) Res 174 1778 Westcoast Trans 1218 124 Weston (Geo) 29 29	' ' - '	Atjas Copco  ! Roliden	174   —1	JAPAN	· !	Anglo Am Gold 72.5 5.0
_		Dm	Cellulosa	83 -1		17	Buffels 31.6   +0.55 .
1		Allianz Vers 444 -2	Esseite(Free)	153	Aug. 9 Price	T="  2	Currie Finance 2.20
.}	ł	BASF 114 -1.5 BAYER 106.1 -2.2	Eagersta Fortia (Free) Mo och Dom	145 -2 167 +4	Alinomoto 787 :	+7	De Beers 5.5 -0.13
1	Alleion :	payer-aeugiu*****   \$17   -1*9	Mo och Dom Saab - Scania Sandvik B (Free)	102 -4 136 -2 174 -1	Amada	-2 -5 -9	S Geduid 27.75 Gold Fields SA 71.5 Highweld Steel 4.45
-1		BMW180.5ml -1.8	Skandia	505   +7	Canon		
1	Aug. 9 Price + or	Commerzbank 126 3.5	SKF B	110 1	DK80 605	÷5	Vedbank 51,5 . —1.5
- [	7 — Creditanstalt 210 —2	Daimler Benz 297 -4	Sven Handelabn. 1 Swedish Match 1	105 j —1 j	Dalwa House 480 :	-3-12	ok Bezaars 17.5
-	Landerbank 188	Demag 123 , -1	Volvo B (Free) 1	5614	Daiwa Seiko 380	+3 -	Rennies 4.0 -0.85
1	Semperit	D'sche Baboock. 170 ' 8 Deutsche Bank 258.3 3.2			Eisai 807 Fuji Bank 500 Fuji Film, 1,350	-I   S	Restenburg 3.3 —0.88 lage Hidg 2.7 +0.1 A Brews 4.3 —0.05
١.	Veitscher Mag 186	DU Schultheiss 165 -2 Dresdner Bank 126 -3.7	WITZERLAND	i	ru//sawa 1.510	-20 T	iger Oats 19.0
l	· [1	SHR	. Aug. 9 P	rice + or	Fujitsu Fanuc 3,650 Green Cross 1,870	_20   T	Financial Rand US\$0.75
1	1!	toesch		re.	Heiwa Real Est 530	_1	(Discount of 121%)
ŀ		Holzmann (P) 410   -4,5	Prown Boveri	835 -5	Hitachi Koki 542 :	2	BRAZIL
1	BELGIUM/LUXEMBOURG	Call und Salz 145.5; —2.5 (Carstadt	iba-Geigy	,220: ~10 986! ~10	Houseford 665	-55 +4	Aug. 6 Price + or
1		Caufhof 174   -1,5	redit Suisse 1	.610j ~20 <b>[</b>	Ito Ham	_1 _	Cruz
]	Frs	(loeckner	ischer (Geo)	395; —5 ,750; —500]		1 B	anco Brasil 15.30 +0.20
1	1055	Inde	nterfood =	675! —25  450  —50  320	JACOS	_10 B	eigo Min
ij	Bekaert B 2,120 -15	naumeemaam 126,5/ 1.7   •	andis & Gyr 2, estica	NAC:	Kao Soan 275	-]   M	olas Amer 6,30
10	Cookerill	Metaligesseil 203 —1	er-Bushris	930! 20	Kashiyama 656 Kikkoman 368	-9 S	ON DURING THE PARTY OF THE
11	Electrobel	reussag 176,7:2,5   g	andoz (B) 3.		Kirin 373	-2 Y	nipar PB. 8.00
18	18F (BLITX)******* 7'00S; F7P 19	CN8TING 272   5 9 10	BIIDOZ (FLUCE)	265	Kokuyo	-6 - <u>2</u>	Turnever: Cr. 3,110.5m. Volume: 352.1m.
15	Sevaert				Konishiroku 551		Source: Rio de Janeiro SE.
;	doboken	arta 146 —I 8	wise Yolksbk 2	996; —5 785, —5	NOTES Prices on Individual exchanges and	f are fe	pe are as quoted on the at traded prices. 5 Declings
:	an Hidgs 6,050 -10 V	hyssen	interthur 2, urich ins 14,	060: —5 0601 —200	suspended, ad Ex divide an Ex all.	nd, zc	Ex scrip issue. XI'Ex rigiti-
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-112 b0.75 6.3 2.9 6.9

# LONDON STOCK EXCHANGE



# Sterling weakness and gloomy economic situation continue to undermine equity and Gilt markets

Dealings tions Dealings Day Aug 16 Sept 2 Sept 3 Sept 13 July 19 July 29 July 30 Aug 9 Aug 2 Aug 12 Aug 13 Aug 23 Aug 16 Sept 2 Sept 3 Sept 13 "New-time" dealings may take place from 9.30 sm two business days

Worries about sterling, which esterday tumbled to a 68-month resterday tumbled to a 65-month low against the dollar partly reflecting the latest of this summer's reductions in clearing hank base rates, and the weak state of the economy as presented last week by the CBI, were two of several adverse influences affecting London stock markets vesterday. markets yesterday.
Others included Wall Street's

continued slide—the Dow Jones index is at a 28-month low point as a result of similar concern over U.S. industry — and rising short-term U.S. interest rates despite the administration's attempts to ease its hight

London equity dealers adopted defensive factics at the opening. Leading shares were lowered several pence in order to deter nervous selling and the manoeuvre met with a large measure of success. Most blue chips eventually edged away from the lowest as professional operators sought to close bear instituțional virtually nonexistient. Inquiries from smaller were also extremely

Illustrating the extent of the early mark-down, the FT Industrial Ordinary share index Industrial Ordinary share index Purchases also came on offer. was 10:1 lower at the first calcu- Provident Financial relinquished

HIGHS AND LOWS

FINANCIAL TIMES STOCK INDICES

Earnings, Yld & (full) 11.70 11.51 11.28 11.27 11.22 11.34 10.53

P/E Ratio met; (\*),...., 10.34 10.51 10.69 10.70 10.75 10.63 12.07 Total bargains........ 16,028 15,135 15,500 15,688 16,846 15,195 16,707

Equity turnover £m - 106.54 120.12 116,56 159.83 110.19 120.75

Equity bargains...... ...... 10,298 11,010 11,497 12,752 11,958 13,537

10 am 538 7, 11 am 539.1. Noon 540.5. 1 pm 540.9

Basis 100 Govt. Secs. 16/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/56. SE Activity 1974.

72,94 73,25 73,42 73,30 75,22 72,92 65,44

540.4 548.8 559.7 560.3 566.2 558.2 543.8

5.46 5.58 5.26 5.26 5.22 5.27 5.79

... 247.8 254.7 256.7 255.8 261.1 256.5 358.4

Account Dealing Dates lation. Despite another early plunge on Wall Street early \*First Declara Last Account yesterday, the 30-hare index Dealings tions Dealings Day closed 8.4 down at 540.4, its lowest since January 18 and 53.6 points off the 1982 high recorded in June.

prospects for another round of base rate cuts receding owing to current pressures on sterling and the latest rise in American interest rates, recently strong Government securities gave more ground. In this market, too lower opening quotations deterred sedling of any size and late in the afternoon short above the worst. Carly losses of at both ends of the market were later reduced to around \$. although one or two issues closed with 1-point falls. The FT Government Securities index relinquished most of last week's overall gain to close 0.27 lower at 72.39.

## CU edge forward

Commercial Union, which starts the Composite Insurance interim dividend season today, edged forward a couple of pence to 137p. General Accident, which report first-balf results tomorrow. softened 2 to 304p, while GRE

shed 6 to 292p.

A dull market since last
Thursday's disappointing interim
figures, Barclays rallied 2 to 378p in a lethargic banking sector. Discount Houses trended lower in sympathy with silts: Cater Allen declined 10 to 3300 and falls of 7 and 8 respectively were seen in Union, 465p, and Gerrard and National, 300p. Hire

up 7 to 233p.

Stores dip and rally

Marked sharply, if selectively,

lower at the outset leading Stores attracted a reasonable two-way business and most reverted

to Friday's closing positions: Gussles A, down to 502p earlier,

recovered to close unchanged at 510p. as did British Home, at 161p after 157p. F. W. Woolworth, still pervous awaiting

comprow's half-timer, eased the turn to 441p. Adverse comment clipped 4 from Habitat Mother-care at 156p. Movements of note

in secondary issues were few and far between although useful sup-

which firmed 3 to 37p with the

280	A A A
240-	
220	
180	Financial Group
160	

to 127p and London Scottish outset, Electrical leaders later Finance softened 2 to 43p.

Lack of investment incentive rallied on cheap buying but still closed with falls ranging to 9. prompted another dull showing among leading Breweries. A Thorn EMI ended that much lower at 408p, while BICC cheapened 5 to 290p, after 285p. firmer undertone was noticeable after the "house" close, but Plessey picked up from 500p to finish only 2 off on the day at after the "house" close, but most still finished at the day's worst. Grand Metropolitan eased 6 to 237p. Arthur Guinness shed 2 more to 87p. Recently buoyant less relinquished S to 262p, Ferranti 11 to 387p, United Scientific 7 to 345p and Dubilier 2 more to S7p. Recently buoyant ciders also trended lower and, despite a favourable mention, H. P. Bulmer dipped 15 to 550p, while Merrydown Wine were marked 5 lower at 160p.

A gloomy survey from the Federation of Cwil Engineering Contractors took its toll on sentiment in the Building sector, falls of 10 being marked against Taylor Woodrow, 510p, Tarmac, 316p, and Newarthill, 470p. Still overshadowed by the decision to issues hardened the ordinary and A ending 10 and 5 up respectively at the common level of 165p. Dealings in Newman Industries were suspended at 8p pending further details of

financial proposals. The Engineering sector remained sensitive to scattered following overshadowed by the decision to peg cement prices. Blue Circle weakened afresh to 430p before settling at 435p for a fall of 10 prominence given to manufacturing industry's fears of a further decline into recession. Simon closed another 7 lower at 353p, while Babcock ended 4 down at 101p and John Brown 3 cheaper at 39p, ML Holdings fell 10 to 285p, awaiting today's preon the day. Further profit-taking left Barratt Developments 5 devn at 291p, while Y. J. Yovell came on offer and gave up 9 to 130p. 285p awaiting today's pre-liminary figures. Smaller-priced ICI opened lower at 284p and eased further to 278p before closing at 280p for a fall of 8 on the day. Elsewhere in Chemicals, Laporte eased 3 to 151p and Arrow 2 to 45p. Amersham gave issues to give ground included J. H. Dennis, which eased 2 to 14p, and Aerow A, a similar amount lower at 23p. Against the trend, Laird Group firmed a penny to 112p in response to favourable Press mention. Leading issues usually closed a few

> Foods drifted lower for want Foods drifted lower for want of attention. Cadbury Schweppes eased 3 to 102p, while Rownaree Mackintosh gave up 4 to 174p. Following the announcement that the company is to close its Liverpool factory. Barker and Dobson finished § harder at 64p: the price in Saturday's issue was incorrect.

couple of pence to 98p awaiting

# ·BOC down again

fresh falls. An early sharp mark- ing today's half-year figures. which firmed 3 to 37p with the tresh falls. An early sharp mark—
A 6 up at 31p. Warling and down and renewed selling dindw on the other hand, shed 3 to 77p. Currys, 160p, and Owen BOC, down 9 on Friday, fell 6
Owen, 157p, both lost 8, while Polly Peck fell 10 to 325p. abead of Thursday's third—warked down sharply at the discrete figures. Still unsettled by the first-half figures last week, abead of Thursday's third—tremained under pressure and fell to 168p before closing a net 6 November 80's.

group's Norval drug, Beecham lost the same amount to 280p, while Glazo gave up 5 to 715p, after 710p, BTR fell 6 to 314p Tohaccos lacked support and and Reed International 4 more to

175p in response to a Press sug-gestion of an imminent bid of

around 200p per share coming from Charles Hill of Bristol. Manchester Ship Canal jumped

to close 7 down on balance at

eased 3 to 273p as did Capital and Countles. to 128p, while

ended the same amount lower at

ment softened the turn to 118p

following the results, and Far-

Eastern advices left Hong Kong

raily left quotations a few pence

eum closing 6 lower at 260p, after 256p, and Shell ending a like

amount down at 368p, after 366p. Tricentrol held steady at 174p in front of today's interim

figures. Among the exploration issues, Berkeley gave up 10 to

Land 6 cheaper at 61p.

Oils dull

In Properties, Land Securities

Bats declined 7 to 451p, after 448p. Imperial, additionally un-settled by a "take profits" 254p, the latter on further con-sideration of the poor first-quarter figures. Fisons declined 7 to 358p and Unilever dipped 5 to 605p, after 600p. Hong Kong issues were flat in the wake of the near-80 point fall in the Hang-Seng index. China Light plummeted 18 to 118p as did Hutchinson Whampoa to 130p, while Swire Pacific A.

## Golds lose ground

price between the close on Friday and yesterday's opening quot-ation caused widespread falls in 91.0, and Jardine Matherson, 150p, fell 12 apiece and Wheelock Marden lost 6 at 46p. A "sell" recommendation chipped 3 more South African Golds, and the market remained nervous until from English China Clays at 150p. while Aeronautical and General just before the close, when there annual figures. Against the trend, Kennedy Smale advanced 12 to

Among the heavyweights, President Brand at £13‡ and President Steyn at £12‡ hoth closed ‡ down, while declines at £12f, Southvaal at £15f, Vaal Reefs at £29f, Free State Geduld at £12 and St Helena at £13.

10 to 72p on the reduced interim deficit, while Dwek encountered ERPM fell 40 to 413p. Kinross 31 to 531p. Grootvlei 26 to 398p and Durban Deep 21 to 974p. speculative support and firmed The increased interim profits and dividend from Horizon Travel were well discounted and. The Gold Mines index lost 6.9 following the company's bearish \$336.50, down \$10. view of second-half trading the shares fell to 176p before rallying

The gold-based South African Financials suffered, with both Amgold and Gold Fields of South Africa ? poorer at £323 and £313 respectively, while Gencor gave up 20 to 770p.

Anglo American at 553p. New Wits at 207p and Middle Wits at 450p were all around 10 lower, but Sentrust recovered from last week's heavy decline to close at

ing some ground towards the close after having opened weaker. Gold Fields lost 8 to Marked down initially in the 387p. Charter 3 to 167p after wake of last Friday's weakness on Wall Street, Oil shares drifted 165p at one stage, and Rio Tinto-Zinc closed just a penny cheaper at 397p after 394p.

London Einancials had

Australians also saw good twoway business, with most of the leading stocks around 6 cheaper. as in Western Mining, 172p, MIM Holdings 158p and Meekatharra Minerals 110p. CRA lost 8 to 176p, while Gold Mines of Kalgoorlie closed 10 lower at

128p, while falls of around 5 were recorded in Candecca, 197p, Renison slid 12 to a low for Carless Capel, 148p, and Marinex, the year of 112p on news of the cost-cutting measures which Trusts followed the equity sectors lower. Far Eastern advices left Jardine Securities the company's position. Volume in Traded

18 down at 112p. Among Finan-cials, Aitken Hume fell 8 to 157p continued to expand and 2493 contracts were done. Once again, and losses of 5 were marked a significant amount of business against Akroyd and Smithers, was transacted in puts reflecting 238p, and Exco. 198p. the weak tone of the London P. and O. deferred stood out equity market. Imperial Group in dull Shippings with a fall of were particularly active, record-industrial 7 to 144p. Ocean Transport ing 551 calls, 210 in the August week with closed a penny off at 116p await 90's, and 232 in the November

cheaper at 172p. Carrington Viyella eased a fraction to Sp following another sizeable mid-term deficit.

recommendation, dropped 5 to 91p.

# FIXED INTEREST STOCKS



**EQUITIES** 

## "RIGHTS" OFFERS

issue	- 55	, Renunc.	19	93	· Pleak	10 + or
price P	1	date	High ,	Low	Stock	
100 103 78 25 55 50	F.P. F.P. F.P. F.P.	13/5 24/8	40pm 122 84	180 30pm 117 80 22 73 62	*Barkeley Exploration £1	44pm -4 180 30pm -8 117 -2 84 22 76 -1 60 -1 281 -1

Renunciation date usually fast day for dealing free of stamp duty. b Figu handing on the state of the sta capital: cover based on dividend on full capital. g Assumed dividend and yield. tindicated dividend: cover ratets to previous dividend. P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year earnings. F.Dividends, and yield based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. © Figures or report swatted. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. § Issued by render. ¶ Offered to holders of ordinary shares as a "rights." \* Issued by way of capitalisation. §§ Reintroduced. ¶ Issued in connection with reorganization marger or take-over. [# Introduction. ] Issued to former preference holders. ♣ With warrants. If Deslings under special Rule. ♣ Unlated Securities Market. ‡ Longon Lating. † Effective issue pince after scrip. Formerly dealt in under Rule 163(2)(a). †‡ Unit comprising five ordinary and three Cap. shares. ♥ Issued Irea as an anutament to ordinary holders.

## FRIDAY'S ACTIVE STOCKS

6 1		Min at	closing			Ma ad	clasing	
١.		Driča	Dica	Day's		DUCS.	price	Day's
.	· Stock	changes	Denca	change	Stock	changes	Dence	change
•	RTZ	. 14	398	<b>—17</b>	BPB Industries		425	-17
П	GUS "A"	. 13	510	-10	Blue Circle.	. 11	445	-25
. I	Racel Electronic		472	- 11	Stand'd Chart'd	11	396	-17
	Barciaya Bank .		375	-14	BAT Industries	10	458	- 7
	Bascham		286	- 9	Charter Consid	10	170	-13
П	Glazo	. 12	720	-15	Fisons	10	365	- 15
١	Plessey		512	<b>– 8</b>	Unilevar		610	-10
'								
٠,			AC	TIVE	STOCKS			
1	· Above :	averace :			the following	stocks v	esterday	,
.						,		•

<ul> <li>Above average</li> </ul>	activity	Was note	d in the following stocks y	resterday	,
Stock BICC Barrett Developments Blue Circle Glaxo Horizon Travel Kennady Smale	Closing price pence 290 291 435 715 181 175	Day's change - 5 - 5 - 10 - 5 - 7 + 12	Stock Manchester Ship Canal P & O Deferred Plasser Recison RIZ Unilever	Closing price pence 72 144 510 112 397 505	Day's change +10 - 7 - 2 -12 - 1

# FT-ACTUARIES SHARE INDICES

S.E. ACTIVITY

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS		Mon. Aug 9 1982			Fri Aug 6	Thur Aug 5	Wesi Aug 4	Tues Aug 3	Year ago (approx.)	
& SUB-SECTIONS		:	Est.	Gross Osv.	Est. P/E		_		<del>                                     </del>	
Figures in parentheses show number of stocks per section	Index No.	Day's Change	Yield %	Yield % (ACT at 30%)	Ratio	Index No.	index No.	indez No.	Index No.	Index No.
1   CAPITAL 600DS (209)	390.73		9.76	4.33	12.88	396.75	402.92		495.11	357.50
2 Building Materials (23)	320.83		12.56	5.60	9.90	333.92 618.14	341.89 624.64	342.84	346.95	305.58 554.86
3 Contracting, Construction (28)	611.75	-1.0	14.27.	5.05 2.10	8.36 18.73	1571.64	1592.78		624.51 1597.35	
4 Electricals (31)	1544.75	~1.7 ~1.2	6.99 14.17	6.45	8.52	474.72	477.07	1 475.63	475.61	49£.85
5 Engineering Contractors (11)	468.85 191.86	-12	12.04	6.14	10.07	194.22	196.88	196.99	197.94	234.55
6 Mechanical Engineering (67)	139.29		13.49	8.71	9.19	1/71.70	144.73	145.79	147.67	156.81
8 Metals and Metal Forming (11)	77.78	-1.3	3.16	9.04	<u> </u>	79.79	80.29	80,70	81.49	108.34
9 Motors (20)	537.32	-15	10.97	6.33	11.15	342.54	349.45	349.96	351.25	384,46
1 CONSUMER GROUP (202)	312.67	~1.2	12.74	5.57	9.51	336.34	321.47	322.39	324.90	283,67
2 Brewers and Distillers (22)	340.57	-16	13.96	6.11	8.70	346.FR	353,83	353.22	356.29	301.16
5 Food Manufacturing (22)	271.54	~11	16.69	6.69	7.00	275.A9	27£.01	278.20	279.80	264.07
Food Retailing (14)	660.53	~0.8	8.90	3.40	13.80	665.71	673.73	676.55	. 680.56	542.59
7 Health and Household Products (9)	479.04	-14	7.14	3.53	16.53	46.97	497.93	497.58	499.72	340.%
Leisure (23)	404.35	-1.7	10.41	5.20	12.18	41133	415.68	425.61	418.72	45.66
Newspapers, Publishing (13)	524,42	+0.1	11.74	5.95	10.72	523.71	523.71	52.4	525.08	487.97
Packaging and Paper (14)	132.76	~0.9	18.15	8.36	6.40	133.99 201.21	135.43 268.15	142.61 288.24	142.48	147.41
Stores (45)	282,42	~0.3	10.31	4.95	12,89	165.74	24.73	147.89	291.99 149.17	265.39 259.87
Textiles (23)	163.13	~16	14.10 24.33	6.56 8.40	8.63 4.59	337.71	342.24	344.60	37.26	2611
Tobaccos (3)	329.22	-25 -16	6.56	610	29.60	263.29	23.2	263.89	263.24	254.99
Other Consumer (14)	256.77 247.13	~1.9	14.52	6.83	1.32	251,71	255.50	254.85	256.87	227.53
OTHER GROUPS (76)	316.86	~2.4	15.51	7.56	7.57	324,79	329.56	328.09	332.81	281.00
Chemicals (15)	94.43	~0.6	17.30	9.28	7.10	94.62	96.68	97.83	SJK	115.62
Office Equipment (4)	462.04	~1.9	18.72	7.27	6.51	572.83	579.91	579,61	580.64	540.99
Miscellaneous (44)	331.02	-15	12.19	5.74	19.71	335.99	340.79	149.10	340.67	299.58
INDUSTRIAL GROUP (487)	330.01	-14	11.94	5.25	10.34	334.64	337,91	343.27	342.51	391.90
	635.69	-19	26.95	5.35	4.54	147.kg	551.57	67.24	444.18	771.21
0ls (13)	355,21	-14	13.71	5,81	3,75	360.33	345.51	365.29	339.11	339.46
500 SHARE INDEX	245.10	-0.5		7.04		246.24	249.65	251.23	252.51	267.55
FINANCIAL BROUP (117)	263.12	-0.5 -0.1	38.56	9.09	2.85	263.31	268.97	272.85	273.58	275.27
Banks(6)	252.76	-20	<b></b>	9.24	_	258.05	258.05	257.45	254.09	266.53
Discount Houses (9)	265.35	-03	I = I	6.89		266.12	269.52	269.59	270.32	270.14
Insurance (Life) (9)	156.77	+8.1	I I I	9.03	·= 1	156.55	158.36	159.38	168.54	177.52
Insurance (Composite) (10)	513.44	+9.2	10.97	5.06	12.48	512.34	517.78	516.51	515.91	427.59
Insurance Brokers (7)	136.68	-0.9	20.77	6.52		37.29	138.23	138.52	138.79	170.15
Merchant Banks (12)	410.20	-12	5.65	3.95	23.51	214.00	418.74	420,00	425,89	477.98
Property (49)	150.86	-14	18.82	7.09	6.12	266.11	179.84	170.47	171.00	182.96
Other Financial (15)				5.69		297.93	294.35	295.76	297.57	312.44
Investment Trusts (111)	287.18	-0.9   -1.9	16.15	7.25	7.76	197.37	285.43	206.56	207.52	277.28
Mining Finance (4)	193.74		14.66	8.94	234		363.90	364.15	364.63	<b>42</b> 7.71
Oversess   raders (LE)	358.22	-13	37.00					335.44	337.89	325.39
ALL-SHARE INDEX (750)	325.64	-12 l	1	6.08	- 1	367./#	229.71	~33/ <del>74</del>	231.67	AD 31

FIRED INTEREST								AVERAGE GROSS REDEMPTION YIELDS	Mon Aug 9	Fri Aug 6	Year ago (approx.)
7	NCF DICES	Mon Assy 9	Day's change	Fri Aug 6	xd adj. today	ad adj. 1982 in date	1 2 3	Bellish Sovernment Low 5 years	4.79 12.02 12.20	9,68 11,99 12,13	12.69 13.20 13.44
1 5	ittick Germanist Jean	115.89	-629	114.16	-	6.92 2.67	4 5 6 7	Medium	12.50 13.06 12.63 12.53	12.39 13.60 12.58 12.44	MS 15.25 MAI MAI
3 0	15 years	124.23 129.24 123.93	-6.36 -6.30 -8.80	117.42 121.95 124.43	-	7.95 7.27	8 9 10	Coupers 15 years	13.29 12.78 12.61	13.14 12.73 11.95	15.44 15.04 13.89
6.	A Stocks	217.52 92.62	-8.33 -9.46	117.97 93.05	9.04	9.81	11 12 13	Dales & Louis 5 years	13.92 13.92 13.93	13.71 13.04 13.06	16.02 16.06 16.09

Flat sheld. Highs and loan record, base dates, values and constituent changes are published in Saturday Issues. A new list of constituent

## **NEW HIGHS AND** LOWS FOR 1982

NEW HIGHS (16)

BRITISH FUNDS (1) 94pt 1982 CORPORATION LOANS (2) 124pc '83 London Corp. 134pc G.L.C. 12-pc 33 London Corp. 13-pc
1983
COM-WEALTH & AFRICAN LOANS (1)
Australia Spc 31-85
CHEMICALS (1)
Clibs Geigy Supc Cov.
1982-95
1982-95
1982-95

STORES (2)
Liberty Milletts Leisure
ENGINEERING (1)
Farmer (5. W.) Farmer (S. W.)
HOTELS (1)
Queen's Moat 101-pc
Conv. 1989-91
INDUSTRIALS (3)
Dwek Group Ricardo Dwek Group Hitchia, Kennedy Smale PAPER (1) Harrison Cowley TEXTILES (1) Stirling Group
TRUSTS (2)
New Throg. Inc. for Inv. Inc. NEW LOWS (130) INT. BK. & O'SEAS GOVT. STLG. ISS. (1)

AMERICANS (1)

BANKS (2)

BUILDINGS (4)

DRACHEMICATORES (3)

ELECTRICALS (2)

ENGINEERING (27)

FOODS (3)

HOTELS (1)

INSURANCE (1)

LEISURE (1)

MOTORS (3)

PROPERTY (6)

RISES AND FALLS

YESTERDAY British Funds Corpns. Dom. & Fornign Bonds 82 188 1,104 1,154

**OPTIONS** 

Deal- Declara- Settleings ings tion ment Aug 9 Aug 20 Nov 11 Nov 22 Aug 23 Sept 3 Nov 25 Dec 6 Sept 13 Sept 24 Dec 9 Dec 20 For rate indications see end of Stocks favoured for the call included Nimslo, Turner and Newall, ICL, Fitch Lovell, Westminster Properties, Blue Circle, Tozer Kemsley and Millhourn, Glaxo, Sound Diffusion, Premier Oil, Multitone, Sompor ex and Bio-Isolates. No puts were reported. Double options were arranged in Turner and

Newall, ICI and ICL.

# WORLD VALUE OF THE POUND

average of buying and selling rates except where they are shown to be otherwise. In some cases market rates rates: (P) based on U.S. dollar parties rate: (In) financial rates: (axC) exchange certificate rate: (nc) non-commercial rates: (by seen calculated from those of and going sterling/dollar rates: (T) rate: (nom nominal; (c) official rate; tourist rate; (Bas) basic rate: (bg) tourist rate; (Bas) basic rate: (bg) buying rete: (Bk) bankers' rates: (cm)

ļ						•	
PLACE AND	LOCAL UNIT	VALUE OF & STERLING	PLACE AND	LOCAL UNIT	VALUE OF	PLACE AND LOCAL UNIT	VALUE OF £ STERLING
Afghanistan	Afahani :	99.00		Banish Kasasa	14.90	Paris Sal	exe(A)1,224,16
Albania	Lek	9.85	Greenland	F. Caribbaso S	4.59	Peru	. 14.19
Algeria	Dinaf	7,8670	l Guadaloupe	: Local Franc	11,895	Pitcairn Islands £ Sterling New Zealand S	
Andorra ,	French Franc	11,895	Guatemaja Guatemaja Guinea Republic	U.S. 5	1,7000	New Zealand S	: 2,3290
		193,70 (CM) 60,7025	Guatemala	Quetzal	1.7000	Poland Zloty	(Cm) 150,50
Angola	Kwanza	i(T) 62.691	Guinea Republic Guinea Bissau	Syli	38,45 68,55	Portugal Portugu'se Escude	i (T-150.50 146.75
Antigua (\$) 1	E. Caribbean 8	4.59	Guyana	Cuvanese E	5.0625	Puerto Rico U.S. 8	1,7000
Argentina		·· (cm) 38,007	Angadia	*A-01 B(1) part A		Qatar Qatar Ryai	605
Australia (8)	Anakaniina 9	(In) 65,984	Hattl	Gourd	8.50		
Austria	Austrangn <i>e</i> Refilling	1,7285 30,055	Honduras Repub	Lempira	3,40 10,4225	Reunion lie de laFranch Franc	11,895   1(Cm) 7,95
Austria	Portugu se Escudo	146.75	Hong Kong		1 -	Romania Leu	((n:c) 19.56
Ranamas	Ra. Dollar	1.7000	Hungary,	Forint	66,55	Rwanda Rwanda Franç	152,05
Rehrein	Dinar	0,633	1		·	St. Christopher E. Caribbean 5	4.59
Balearic lales Bangladesh	Spa. Pesata	193.70	iceland	I. Krona	20,705	Et. Helena St. Kelena £	1.0
Barbados	Taka	38,25 3,40	India	ing, Rupee	16,33	TS. Lucia E. Carlbhean S	4,59
		((cm) 81.70	Iran	Rist	145,25(sg)	St. Pierre Local Franc	11.895
Beigium		(fn) 86.30	irac	irag Dinar	0.504	St. Vincent E. Car bbean 8 Salvador ElColon	4,59 4,23
Belize	B 5	. 5,40	Irish Republic	irish £	1.3440	1 Samos AmericanU.S. 5	1,7000
Bermuda	O.F.A. Franc	594.75	israel	Shekel	45.70 2,389.0	San Marino Italian Lira Sao Tome & Prin . Dobra	2,389,0
Bhutan .,	ndian Bures	1,7000	Italy, Ivory Coast	CFA frame	594,75	Sao Tome & Prin . Dobra	70.50
	<b>-</b>	((om) 74,80				Saudi Arabia Ryai	5,82875
Bolivia		(F)(A) 170.0	Jamaica	Jamaica Dollar	3,0317	Senegal	594,75 11,30 (sg)
Botswana	Pula	1.88 50	Jadan	1611	445.5 0,594	Sierra LeoneLeone	2.1790
Brazil		314.55 1,7000	Jordan		2.04D.D	1 SingaporeSingapore S	3,6750
Brunei .	Brunei S	3,6750	Kampuchea,	Riei Karra Chillag	18.95	Sciemon Islands Sciemon Is, 8 Somali Republic Somali Shiiting (1)	1.6040
Bulgaria	.ev	1,6810	Kenya	Australian S	1.7285	Somali Republic Somali Shilling (2)	(A)10,79 31,18
Bulgaria Burma	(yat	13,5289	Kiribati Korea (Nth) Korea (Sth) Kuwait	Won	1,70(1)	South Africa Rand	1,9795
Buruno:	urungi Frans	157,885	Korea (Sth)	Won	1,264.5	South West African	
Camero'nRepublic (	F.A. Franc	594,75	Kuwait	Kuwait Dinar	0.4915	Territories S. A. Rand	1,9795
Ganade	Anadian S .	2,1880	Lacs		17,00	SpainPaseta	193,70
Gape Verde Isle C	Dane V. Ferrida	193.70 92.70	Lebanon	Lebanese £	' 8.707D	Spanish ports in	
Çayman İslands C	ay. is, 5	1,4165	I Lesotho	Leti	1.9795	North Africa Peseta	193.70
Lent. Afr. Republic C	3.F.A. Franc	594,75	Liberia		1.7000	Sri Lenka S. L. Rupee	35,25
Chile	F.A. Franc	594.75	5 Lihva	LIDVAR DIRAC	0,5032 - 3,655	Sudan Republic Sudan £ (u)	1.5300 3.0430
<u>Chile                                    </u>	. Peso	N/A	Liechtenstein	Swiss Franc	81,70	Surinam 5. Guilder Swaziland Lilangeni	1.9785.
China 8	renminbi Yuan .	3.3519	Luxambourg			Sweden S. Krona	10.555
Colombia	FA Fanna .	(F) 109.87 594,75	Macao	Patasa	10,65	Sweden S. Krona Switzerland Swiss Franc	3,655
Congo (Brazaville: C	F.A. Franc	594,75	Madeira	Portug'se Escudo	146.75	į Syria Syria £	, (A110.0
Costa Rica C		((0) 64,60 (3)	Malagasy Republic Malawi	MG Franc	530.50 1,9150	Talwan	64,60
•		i(Fi 93.50	Malawi	RWADDA Binasia	4,0150	TanzaniaTan, Shifling	16.30
Cuba C	uban Peso	1.4055	Majaysia	Rufivas	12.835	[ 1 Mailand	38,80
Cyprus C	yprus £	0,837	Moli Depublic	Maji Franc	1,189.5	Togo Republic C.F.A. Franc	594,75
Czechoslovakia X	CAPITRO	(com: 10.80 { n:c 18.81	Matta	Maitese £	0.718	Tonga IslandsHa'anga	1,7285 _ 4.08
Vaccinosiorania.	to one	(m18.30	I Martinialia	LDCXI Fracis	11,895	Trinidad Trinidad & Tob. 8 Tunisla Tunislan Dinar	1.0085 (sg)
Denmark D	anish Venne	14.90	I Mauritenia	ODGIIIVA	86,90 18,85	Turkey Turkish Lira	292.72
Djibouti F	r.	290 (sg)	Mauritius	M, Rupes	18,05 i *1F1135,44i4i	Turks & Calcos U.S. S	1,7000
Dominica E	Caribbaan %	4.59	Mexico	Mexican Peso	11Pi84,65151	Tuvalu Australian S	1.7285
uqminiqan Repub. D	lominican (Peso)	1,7000	Miqualon Monaco	C.F.A. Franc	594.75	Uganda	170.0
•			Monaco	French Franc	11,895	Uganda	1,7000
Ecvador 81	ucre .	(0)56.12			(6:5.67:[]:	Uruguay Uruguay Peso :	::cm:21,53
Egypt Eg	avation f	(U) 1.41			4.59		ictn:21,50
Equatorial Guinea El	kunia	387.4	Morocco	oli pam	10,45	Utd. Arab Emirates U.A.E. Dirham	6.22375
Ethiopia Et	hlopian Birr	(P) 3,5400	Mozambique	Metical	53,15	U.S.S.RRouble	1,2765
-			Nauru	Australian Dollar	, 1.7285	Upper VoltaC.F.A. Franc	594,75
Falkland Islands F Farce Islands D	SINIENG IS &	1,0	Nepai	lenalese Rupes	22,35	Vanuatu	167.76
Fiji lainda F	II IS	14.90 1.6105	Netherlands NetherlandAntilles New Zealand	Guilder	4.715	Aust. Poller	1.7265
Finland N	larkka	8,1620	NetherlandAntilles	undillan Gullger 4.7. Belles	3.0430	Vaticen Italian Lira	2,389.0
France F	rench Franc	11.895	New Zestano	OMANA	2,3290 16.93	VenezustaSolivar:	7.27 1(0)3.70
France FrenchC'tyln Aff . 0	.F.A. Franc	594.73	i Niger Benublic C	LF.A.:Franc	-594:75 ···	VietrDong	(C4 17/4)
French Guiana L	ocal Franc	11.895	Minaria . N	# i ra	1.176025 sg	V Isla d U.S. U.S. Dollar	((Ti4,17(H) 1,7000
French Pacific Is C		200 (sg)	Norway	lorway Krone	11,515		
Gabon , C.	F.A. Franc	594,75	Oman Sul'ate of R	lai Omani	0.581		2.06
Gambia Di	alasa	4,0				Yern, i.b. Ryal	7,54/sg)
Germany (East) Of	rmark	4.265	Pakistan P	EKISTEN KUDBE	20.50	Ye , Sthi . S. Yemen Dinar Y New Y Dinar	(A)0,5870
Germeny (West). De Ghana	PHILES MERK	4.285 4.70	Panama	ina i	1.7000 - 1.2835	e Republic Zaire	85,2859
Gibraltar Gi	braitar £	1.0			1.01 213.51	alubia Kwacha	10,031276 1,5200
Greece Di	rachme	- 130,445	Paraguay G		1(Fr 270,68	Zimbabwe, Zimbabwe S	1.2850

That pert of the French community in Africa formerly Franch West Africa or Franch Equatorial Africa † Rupers per pound. ‡ Genoral rates of oil and from exports 71 40. \*\* Rate is the transfer market (controlled) ‡‡ New one official rate. (U) Unded rate Applicable on all transactions except countries having a belateral episement with Egypt and who are not members of IMF (#) Based on gross rates against Russian rouble. (1) Persist except and transfer of the first property imports. (2) Exports, non-assential imports and transfer. (3) Essential goods. (4) Floating rate (5) Preferential rate for priority imports such as Geodatuffs.

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# Dollar at new peaks

rose sharply. This followed an unexpected rise in U.S. money ments could lead to higher interest rates. The dollar rose to an all-time high against several currencies including the French franc and Italian lira and a one-year peak against the D-mark. The Swiss franc was at its lowest level since September 1981 and the Japanese yen

September 1977. Sterling fell to its worst level against the dollar since December 1976 but showed small European against currencies.

DOLLAR — Trade weighted index (Bank of England) 122.7 against 121.8 on Friday and 112.4 six months ago. Three-month Treasury hills 10.18 per cent (14.16 per cent six months ago). Annual inflation rate 7.1 per cent (6.7 per cent previous month)—The dellar finished below its best The dollar finished below its best levels following moves by the U.S. Federal Reserve to increase liquidity in the U.S. domestic money market. It closed at DM 2.5180 against the D-mark, up from Friday's figure of DM 2.50 but down from a high of DM 2.5350. Similarly against the Swiss franc it touched a best level of SwFr 2.1650 but finished at SwFr 2.1475 commared with at Swfr 2.1475 compared with Swfr 2.13. Against the Japanese yen it closed at Y262.1 from Y260.4 and FFr 6.9975 from FFr 6.95 against the French

**EMS EUROPEAN CURRENCY UNIT RATES** 

1318.04

Changes are for ECU, therefore positive change denotes weak currency. Adjustment calculated by Financial Times

+0.35 -0.18 +1.29 -0.69 +0.92 -0.55 -2.39

The dollar touched record came back to over \$1,7000 during levels in currency markets the afternoon as the dollar yesterday as Euro-dollar rates rose sharply. This followed an 1,7005, a fall of 1,25c. Against the Drawk however it was to the D-mark, however, it rose to supply and fears that U.S. DM 4.2850 from DM 4.28 and Budget deficit funding require. SwFr 3.6550 from SwFr 3.65. It was unchanged against the French franc at FFr 11.8950.

> D-MARK - EMS (weakest). Trade weighted index 124.3 against 124.6 on Friday and 121.2 six months ago. Three-month interbank 9.35 per cent (10.225 per cent six months ago). Annual inflation 5.7 per cent (5.8 per cent previous month)—The D-mark was mostly weaker at vesterday's fixing in Frankfurt. The dollar rose to DM 2.5258 from DM 2.5043 with the Bundes-bank selling a nominal \$5.55m while sterling was fixed higher while stering was fixed nighter at DM 4.2860 from DM 4.2800. The Swiss franc rose to DM 1.1746 from DM 1.1727 and within the EMS the French franc was higher at DM 35.96 per FFr 100 from DM 35.93. Trading was fairly thin but very nervous. The dollar was underpinned by high interest cates helping to nush interest rates, helping to push the D-mark weaker while recent troubles at AEG-Telefunken depressed the D-mark further.

JAPANESE YEN — Trade weighted index 130.2 against 130.7 on Friday and 137.8 six months ago. Three-month bills 7.28125 per cent (6.59375 per cent six months ago). Annual inflation 2.2 per cent (2.3 per cent previous month)—The yen showed a sharp fall against the dollar yesterday falling to its lowest level in Tokyo since April 1980. The dollar closed at 

+0.13 -0.40 +1.07 -0.91 +0.70 -0.77 -2.39

## THE POUND SPOT AND FORWARD

Aug 9	spread	Close	One month	b.a.	months	p.a.
U.S.	1.6850-1.7010	1.6995-1.7005	0.05-0.15c dla		0.70-0.80dis	-1.76
Canada	2.1160-2.1340	2.1325-2.1335	0.75-0.85c dis	<b>→4.5</b> 0	2.50-2.60dis	-4.78
Nethind.	4.69-4.73	4.71-4.72	1 <sup>1</sup> 4-Կարո	2.55	27#23; pm	2.23
Beigrum	81.40-82.00	<b>\$1.65-81.76</b>	15-25e dis	-2.94	55-65 dis	-2.94
Denmark	14.86-14.91	14.89 <sup>1</sup> z-14.90 <sup>1</sup> z	F1 ore dis		8-9½ dis	-2.35
Ireland	1.2400-1.2480	1.2435-1.2445	0.61-0.75p dis		1.73-1.96dls	- 5.93
W. Ger.	4.25-4.30	4.28-4.29	1 <del>% -</del> Ֆpf pm	2.45	2¼-2¼ pm	2.33
Portugal	145.25-147.00	146.50-147.00	105-285c dis	- 15.95	250-756dis	- 13.70
Spain	193,40-194,20	193.60-193.80	90-120c dis	<b>-6.50</b>	345-385 dis	-7.54
taly	2.383-2.396	2,388-2,390	19-21lire dis	- 10.05	561, 591, dis	-9.71
Narway	11.46-11.53	11,51-11,52	31-43 ore dis	-3.91	113-127 dis	-4.26
rance	11.87-11.93	11.89-11.90	31-41-c dis	-3.78	disپ 15 <sup>1</sup> طis	-5.04
Sweden	10 52-10.57	10.55-10.56	24-35 ore dis	-3.55	81 <sub>4</sub> -9 dis	-3.27
Јарап	443-449	445-448	1.80-1.60y pm	4,58	4.65-4.45 pm	4.09
Austria	30.00-30.15	30.03-30.08	101-72-gro pm	3.69	23 <sup>1</sup> 2-17 pm	2.70
Switz.	3,6350-3.5650	3.65-3.68	23-21-c pm	7.90	64-5% pm	6.43

rian rate is for convertible francs. Fil month forward dollar 2.13-2.23c dis. THE DOLLAR SPOT AND FORWARD

Aug 9	Day's spread	Cicse	One month		Hour:s	% p.a.
UK†	1,6850-1,7010	1,6995-1,7005	. 0.05-0.15c dis	-0.70	0.70-0.80dis	-1.70
irelandt	1,3565-1,3865	1.3650-1.3665	0.70-0.60c pm	5.73	1.50-1.30 pm	4.11
Canada	1.2480-1.2555	1.2545-1.2555	0.44-0.47c dis	-4.35	0.93-0.98dis	-3.04
Nethind.	2,7720-2,7900	2,7720-2,7730	0.80-0.70c pm	3.24	2.75-2.65 pm	3.89
Belgium	48,12-48,40	48.16-48.18	8-10c dis	-2.24	13-16 dis	-1.20
Denmark	8.7760-8.8120	8.7760-8.7800	0.20-0.45ore dis	-0.44	0.80-1.30dla	-0.49
W. Gar.	2.5170-2.5350	2.5175-2.5185	0.74-0.69pf pm	3,41	2.60-2.55 pm	4.09
Portugal	86,00-86.95	85.50-86.80	60-160c dis	-15,23	120-410dis ·	- 12.23
Spain .	114.10-114.70	114.10-114.20	45-55c dis	-5.25	80-100 dis	-3.15
Italy	1,407-1,414	1,407-1,408	10-11 lire dis		28-30 dis	-8.23
Norway	6.7840-6.7945	6.7880-6.7900	1.60-2.00ore dis		4.00-4,40dis	-2.47
France	8.9950-7.0475	6,9950-7.0000	1,65-1.90c dis		5.60-6.10dis	-3.33
Sweden	6.2150-6.2345	6.2170-6.2200	1,20-1.40ore dis		1,60-1.80dis	-1.0
Japan	262.00-263.50	262.05-262.15	1.20-1.13y pm		3.80-3.70 pm	
Austrie	17.69-17.80	17.69 - 17.70 2	7-5³₄gro pm		21 18 y pm	4.52
Switz.	2.1460-2.1650	2.1470-2.1480	1.58-1.50c pm		4.48-4.40 pm	8.27

**CURRENCY MOVEMENTS CURRENCY RATES** 

Aug. 9	England	Morgan Guaranty Changes		Bank rate %	Special Drawing Rights	Europe Curren Unite
Sterling U.S. dollar Canadian dollar Austrian schilling Belgian franc Denish kroner Deutsche mark Swias franc Guilder French franc Lira	90.7 122.7 88.6 116.9 94.7 81.4 124.3 144.2	-32.5 +13.4 -19.1 +26.6 -1.9 -14.8 +49.2 +94.5 +23.5 -20.4 -58.3 +24.0	Starling U.S. S. Canadian S. Austria Sch. Balgian F. Danish Kr. D mark. Guilder. French F. Lira. Yen Norwgn. Kr. Spanish Pts.	11 15,20 63 <sub>4</sub> 131 <sub>8</sub>	19.1273 52.0468 9.48607 2.72117 2.99880 7.57646 1520.41 283.235 7.31790	0.9389 1.1721 16.612 45.118 8.2188 2.5638 2.6034 6.568 1318,0 245,49 6.3429
Based on trade we	-	-	Swedish Kr Swiss Fr	10 51 <sub>2</sub>	6.71189	5.8166° 2,0159

OTHER CURRANCIES

_	I		1	£
Aug 6	£	8		Note Rates
Argentina Peso	38,007†		Austria	29,95-30,25
AustraliaDollar	1,7275-1,7295	1,0200-1,0205	Beiglum	864-874
Brazil Cruzeiro	314,05-315,06	185,33-186,26	Denmark	14.84-14.98
Finland Markka	8.1580-8.1660	4.8050-4.8070	France	11.86-11.96
Greek Drachma.,	118.868-122.282	71.15-71.35	Germany	4.2612-4.3012
Hong Kong Dollar	10,4112-10,43	6,1540-6,1920		2355-2395
IranRial	145.25*	*84_95	Japan.	445 450
KuwaltDiner(KD)	0.491-0.492	0,2901-0,2903	Netherlands	4.6934.733.
Luxembourg Fr.		48,16-48,18	Norway	11,46-11,56
Malaysia Dollar		2,3660-2,3700	Portugal	142-157
New Zealand Dir.	2,3265-2,3315	1.3735-1.3765	Spain	18712-197
Saudi Arab. Riyal	5.8255 5.8320	3,4390-3,4405	Sweden	10.50-10.60
Singapore Dollar	3.67-3.68	2.1650-2.1700	Switzerland	
Sth.African Rand		1.1640-1.1650	United States	1,6812-1,7012
U.A.E. Dirham	6.2200-6.2275			90-101

## **EXCHANGE CROSS RATES**

44.9704 8.23400 2.3379 6.61387 2.57971

0.691011 1350*.2*7

Aug. 9	Pound St'rling	U.Ş. Dollar	Deutschem'k	JapaneseYen	FrenchFranc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dolla	r Belgian Fran
Pound Sterling	0,588	1.700	4,285	445.5	11.895	3.655	4.715	2389.	2.133	81,70
U.S. Dollar		1.	2,521	262.1	6.997	2.150	2.774	1405	1.255	48,06
Deutschemark	0,233	0,397	1.	104.0	2,776	0.853	1,100	557,6	0.498	19.07
Japanese Yen 1.000	2,245	3,816	9.518	1000.	26,70	8.204	10,58	5363,	4.788	183.4
French Franc 10	0.841	1,429	3.602	374.5	10.	3.073	5,964	2008.	1.793	68,68
Swiss Franc	0,274	0,465	1,172	121.9	3.254	1.	1,290	653.6	0.584	22,35
Dutch Guilder	0,212	0.361	0.909	94.49	2,523	0.775	1,	506.7	0,452	17.53
Italian Lira 1,000	0,419	0.712	1.794	186.5	4,979	1.530	1,974	1000.	0,893	54.20
Canadian Dollar Beigian Franc 100	0,469 1,284	0,797 2,081	2,009 5,245	208.9 545.3	5,577 14,56	1.714	2,211 5,771	1120. 2924,	2,611	38.30 100.

## FT LONDON INTERBANK FIXING (11.00 a.m. AUGUST 9)

3 months U.S. dollars	6 months U.S. dollars	The fixing rotes are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rate for \$10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminate
bid 13 1/8 offer 13 1/4	bld 14 1/16 offer 14 5/18	Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morger Guaranty Trust.

# **EURO-CURRENCY INTEREST RATES (Market closing rates)**

Aug. 9	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgia: Conv.	Franc Fin.	Yen	Danish Krons
Short term	1154 1112 1154 1112 1158 1112	10%-11 11%-11% 11% 12 1273-13% 13% 14% 1376-14%	157g-161g 161g-161g	918-914 918-914 918-914 938-912 938-912	312.4 212.3 314.378 414.414 5,4-5% 512.558	87g.9 87g.9 812.918 816-918 816-918	141g-141g 141g-1412 145g-145q 161g-161g 175g-175q 181g-181g	17 tg. 19 1834-2054 19 tg. 20 tg 2054-21 5g 21 6g. 22 tg 21 t4-2178	1212-1312 13-1434 1312-1412 1334-1434 1412-1512 1412-1512	1212-1512 14-1414 1418-1438 1418-1438 1418-1438 1418-1438	634-678 678-7 678-7 734-7 <del>18</del> 738-718 738-718	758-91A 1134-1314 1338-1578 1418-1558 15.7-1714 1612-18

SDR linked deposits: one month 10<sup>23</sup><sub>16</sub>-11<sup>3</sup><sub>16</sub> per cant; three months 11<sup>3</sup><sub>16</sub>-12<sup>3</sup><sub>16</sub> per cent; six months 11<sup>3</sup><sub>1-12</sub>-12<sup>3</sup><sub>2</sub> per cent; one year 12<sup>5</sup> ECU linked deposits: one month 11<sup>3</sup><sub>16</sub>-11<sup>3</sup><sub>16</sub> per cent; three months 11<sup>3</sup><sub>16</sub>-12<sup>3</sup><sub>16</sub> per cent; six months 12<sup>3</sup><sub>2-12</sub>-12<sup>3</sup><sub>2</sub> per cent; one year 1 Asian \$ (closing rates in Singapore): one month — per cent; three months — per cent; six months — per cent; six months — per cent; three months 12<sup>3</sup><sub>2-1</sub>-15<sup>3</sup><sub>2</sub> per cent; four years 15-15<sup>3</sup><sub>2</sub> per cent; five years closing rates. Short-term rates are call for U.S. dollars. Canadian dollars and Japaness yar; others two days' notice.

The following rates were quoted for London dollar cartificates of deposit; one month 11.75-11-85 per cent; three months 12.40-12 13.15-13.25 per cent; one year 13.40-13.50.

## **MONEY MARKETS**

# London rates firmer

UK clearing bank base lending actions added £60m to the rate 111 per cent (since July 30 system. The forecast was revised to a shortage of £100m and the

UK interest rates were a little firmer yesterday, reacting cautiously to sterling's fall against the dollar and a rise in U.S. interest rates. Three-month interbank rose to 11 per cent from 11% per cent while six-month sterling CDs were higher at 11 2-11 per cent compared with 11-11 per cent. Overnight interbank money traded at 11}-per cent during the morning, touched 12 per cent and then fell to 101 per cent before finishing

The Bank of England forecast a shortage of around £50m with factors affecting the market including bills maturing in official hands and a net take up of Treasury bills -£280m and the unwinding of previous sale agreements and repurchase

JAPAN

Bank gave assistance in the less like morning of £37m, comprising sources. purchases of eligible bank bills, f23m in band 2 (15-33 days) at 11½ per cent, £11m in band 3 (34-63 days) at 11½ per cent and £3m in band 4 (64-84 days) at 11 per cent

per cent.
The forecast was revised again

Treasury bills in band 2 at 112 per cent and £23m of eligible bank bills at 112 per cent. In remained at 9 per cent although

yesterday's performance by the dollar, a cut on Thursday in the Lombard rate looks increasingly less likely according to market

In Paris the Bank of France announced a further reduction in call money to 141 per cent from 141 per cent on Friday. This was seen as another move by the authorities to reduce the The forecast was revised again to a shortage of £150m before taking into account the morning's help. The Bank gave further assistance in the afternoon of £184m, making a grand total of £181m. The afternon help comprised purchases of £1m of quite steady against its EMS partners however.

year were up to } of a point

## EURC \$ rates firm

The recent decline in interest

rates throughout Europe came to an abrupt halt yesterday as the market reacted to last week's U.S. money supply figures. A reported rise of \$900m in M-1 came as a surprise since a modest fall had been projected by some. Con-sequently Euro-dollar rates started to rise as the prospect of an early return to the downward shift in U.S. interest rates diminished. Rates finished a little below their highest levels how-ever with the market still extremely nervous about future

rates were generally firmer, cast-ing doubt on market hopes of a further small downward adjustment in clearing banks' base rates. The dollar's discount bank bills at 11½ per cent. In band 3 it bought £112m of eligible bank bills at 11½ per cent and in band 4 £8m at 11 per cent. In Frankfurt call money dollar rates. Period rates up to a and Swiss france also showed to the control of the control o higher premiums against the dollar even though Euro-marks -f95m. On the other hand there longer term rates started to rise firmer while call money eased dollar even though Euro-marks was a fall in the note circulation—as Euro-mark rates rose in line—slightly—as short-term funds—and Euro-Swiss francs were of £190m and Exchequer trans—with Euro-dollar rates. On remained adequate.

MONEY RATES		LONDON	MONE	RATE	<u> </u>		:					
NEW YORK			Sterling Certificate of deposit	Interbank		Local Auth- negotiable bonds	House	Company Deposits	Discount Market Deposits	Treasury	Eligible Bank Bills Ø	Fine Trade Bills ¢
Prime rate	11¼-11¼ 10.18	Overnight	=	1012-15 	112e-115e 134e-1112 112e 112e	- - - 12-116s	1114	115g-117g — 113g-12 113g	10-111 <sub>2</sub>	=	=	=
Overnight rate One month Three months	9.00 9.30 9.35	Two months Three months Six months Nine months One year Two years	1159 114 1159-1176 1176-1176 1176-1118 1176-1118	11余11卷 11条11卷 11条11卷 11条11卷	114 114 115 115	117g-111g 115g-111g 106g-104g 111g-111g 115g-11	1100	11#114 11#114 =	1032		114 11-11 <sub>1</sub> 1078-1078 10 <u>18</u> -1058	1178 1158 1114 114
Six months	<b>9.35</b>	August 1982 (ii Local autho	nclusive): 12 cities and to	.143 per ce: nanca house	nt. Is seven de	heme IV. A	athers seve	n days fixe	rd. Long-1			-

cel authorities and imance houses seven days' notice, others seven days fixed. Long-term local authority mortgage nominally three years 11½ per cent; lour years 12½ per cent; five years 12½ per cent. O Bank bill rates in table are rates for prime paper. Buying rates for four-month bank bills 10½,107, per cent; four months trade bills 11½, per Approximate selling rate for one month Treasury bills  $11^{1}_{9}$  per cent; two months  $10^{7}_{9}$  per cent and three months  $10^{1}_{19}$  per cent. Approximate selling rate for one month banks bills  $11^{3}_{-}-11^{5}_{29}$  per cent; two months  $10^{13}_{19}$  per cent; three months  $10^{13}_{19}$  per cent; two months  $11^{1}_{19}$  per cent; two months  $11^{1}_{19}$  per cent; three months  $11^{1}_{19}$  per cent; two months  $11^{1}_{19}$  per cent; three months  $11^{1}_{19}$  per cent; two months  $11^{1}_{19}$  per cent; three months  $11^{1}_{19}$  per cent; two months  $11^{1}_{19}$  per cent; three months  $11^{1}_{19}$  per cent; two months  $11^{1}_{19}$  per cent; three months  $11^{1}_{19}$  per cent; two months  $11^{1}_{19}$  per cent; three months  $11^{1}_{19}$  per cent; two months  $11^{1}_{19}$  per cent; three months  $11^{1}_{19}$  per cent; two months  $11^{1}_{19}$  per cent; three months  $11^{1}_{19}$  per cent; two months  $11^{1}_{19}$  per cent; two months  $11^{1}_{19}$  per cent; three months  $11^{1}_{19}$  per cent; two months  $11^{1}_{19}$  per cent; two months  $11^{1}_{19}$  per cent; three months  $11^{1}_{19}$  per cent; two months  $11^{1}_{19}$  per cent; two months  $11^{1}_{19}$  per cent; three months  $11^{1}_{19}$  per cent; two months  $11^{1}_{19}$  per cent; two months  $11^{1}_{19}$  per cent; two months  $11^{1}_{19}$  per cent; two months  $11^{1}_{19}$  per cent; three months  $11^{1}_{19}$  per cent; two months  $11^{1}_{19}$  per cent; three months  $11^{1}_{19}$  per cent; two months  $11^{1}_{19}$  per cent; three months  $11^{1}_{19}$  per cent; three months  $11^{1}_{19}$  per cent; two months  $11^{1}_{19}$  per cent; three months  $11^{1}_{19}$  per cent; three months  $11^{1}_{19}$  per cent; three months  $11^{1}_{19}$  per cent; two months  $11^{1}_{19}$  per cent; three months  $11^{1}_{19}$  per cent; three months  $11^{1}_{19}$  per cent; three months  $11^{1}_{19}$  per cent; three months  $11^{1}_{19}$  per cent; three months  $11^{1}_{19}$  per cent; three months  $11^{1}_{19}$  per cent; three months  $11^{1}_{19}$  per cent; thre

Finance Houses Bese Rates (published by the Finance Houses Association) 13 per cent from August 1, 1982. London and Scottleh Clearing Bank Bese Rates for lending 11½ per cent. London Clearing Bank Deposit Rates for sums at seven days notice 8½ per cent. Treasury Bills: Average tender rates of discount 10.7245 per cent. Certificates of Tax Deposit (Senes 5) 11½ per cent from August 5 (plus an Interest rate supplement of ½ per cent for the first month) Deposits withdrawn for cash 9½ per cent.

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Pearl Treat Managers Ltd. (a)(g)(z) 252, High Hollom, WC1Y 72B. 01-405 8 Pearl Grawth Fd. ....(32.7 35.2 -0.7 46.71-0.9

Parpetual Unit Trust Margant. (2) (2)

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Key Fund Massagars Link (a)(g)
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MX Unit Trust Men

Euro-sterling rates were marked higher and domestic

From on August 4. West desir; August 18.

Carr, Sebag Unit Trust Managars(a)

57/63, Princes St., Manchester

061-236-5665

Carr, Sebag Cap. Fd., IS3, 9

Carr, Sebag Inc. Fd., 120, 3

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## LONDON MONEY RATES

			_							
Aug. 9 1982	Sterling Certificate of deposit	Interbank		Local Auth- negotiable bonds		Company Deposits	Discount Market Deposits	Treasury	Eligible Bank Bills ©	Fine Trade Bills ø
Overnight,	_	101 <sub>2</sub> -15	113g-116g	-	-	1158-1178	10-1112		T. –	
2 days notice	-		1349-1112	-		1 -	_	l <b>–</b>	i – i	_
7 days or	_	I		I – i		l –		! _	l – 1	_
7 days notice	_	111g-127g	11 <i>č</i> e '	. – 1	-	113:12	1112	! _	_	_
One month	114-112	1150 11.5	1132	12-115e	114	1134	11	114	114	1178
Two months		11-1-11-		1178-1119		1111-1134		11		
Three months.		112 112	114	115-114	117	114 114	1014 105-		11-11-	1158
Six months		114.117	114	106-104	1115		-0세-10명		10%-10%	1119
				114-114	- 111	;	_	_	1018-105	11≰
Nine months	114 114	1100-1145	· .=-				-	_	. – 1	-
One year	114 114	1149-1119	1126	115g-11	1119	1		- 1	i — 1	_
Two years	·-	- :	115g		· <b>–</b>	_	-	- 1	<u>-</u>	<b>-</b>
• • • • • • • • • • • • • • • • • • • •	_				نبئكت صحب	بهسست	-			
ECGD Fixed	Rete Steri	ing Export i	Finance. Šc	heme JV, A	veraged Ad	eference R	ate for i	iterest pe	riod 19 J	uly to 3

Tyraded Classagers Ltd.(a)(b)(c) 18. Cerysge Road, Bristol. (6 MEL Tribet Efenozpers Led. (a) (b)
Milton Court, Doridor, Sorrey. (306 887766
Nelstar Gill & F.I. (2) 5 5.00 -0.0 5.35
Nelstar Gill & F.I. (2) 5 5.00 -0.1 6.35
Nelstar Gill & F.I. (2) 5 5.00 -0.1 6.35
Nelstar Migh Inc. (2) 6 3.5 -0.3 6.00
Nelstar International (2) 25 9.3 -0.4 6.38 artingate Unit Trest Managers Ltd. (c)(y)
Managers EE2R6AQ 01-606 4477 

22 B

01-405 8441 95-405 8441 95-31-09 573 407-09 779 501-12 611 77-61-19 611 TSR Unit Trusts (h) (c) (y) 90 Box 3. Keens Hise Andrew, Han 90 Bor 3, Keens I 0254 62139. De 1SB American TSB General

Provincial Life Inv. Co. Ltd. 01-247 6539 40 11-047 2.01 40 11-047 2.02 640 -047 7.63 640 -047 3.03 640 -048 4.03 547 -048 5.03 503 -048 1.73 Profit. Portfolio Mogrs. Ltd. (2) (b) (=) Holton Bars, ECIN 2NH. 01-435 9222 01-415 9222 185 9 - 2 9 4 95 113 0 - 0 3 10.75

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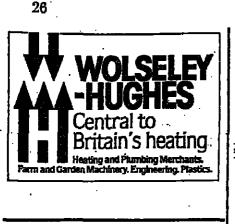
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· - ·	e to Fifte	,	
1024, 85% Treas. 99% 99% Treas: 88% 72½ Treas: 73% 60% Transp 96% 79% Trease	12pc 1987 12pc 1987 'A' . y 71gs '85-882; ort 3pc '78-85 y 111-oc 1989	1011 <sub>2</sub>   - 1 <sub>1</sub> 991 <sub>0</sub>   - 1 <sub>2</sub> 881 <sub>0</sub>   - 1 <sub>4</sub> 731 <sub>0</sub> - 1 <sub>4</sub> 9311   - 1 <sub>8</sub>	12.21 12.63 12.22 8.80 10.69 411 8.99 12.32 13.03
102   85% Treasur	ry 50¢ 86-89 y 13pc 1990##	74  -14 1983  -3	13.01 12.99
1027 854 Exch. 1 844 704 Treason	2 <sup>1</sup> 29c 1990 8 <sup>1</sup> 49c 87-90#	101¼ - ¼ 83¼ - ¼	12.90 13.14 19.00 11.71
95   77%   Treasur	y 11 kgc 1991. J	934   - 4	12.65 13.15
93%   76%   Excts 1	5 sec 87-91#	70% -% 92% -%	8.36 11.55 12.37 13.09
99%   81%   Treasur	y 123 nc 9211 .	982 ]-3	13.00 13.09 11.79 12.80
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33 303, 343, 30 21	3	Conv. 31 <sub>2</sub> Treasury	pc 31 <sub>3</sub> pc#‡ pc '61 Aft 3pc 66 Aft .	3	273 974 433 474 664	:1	12.39 11.98 10.57 12.59 12.27	=	91.17

21   17%   Consol's 21-pt   21%   -1%   12.27   -21%   17%   Treasury 21-pc   21%   -1%   12.44   -1	1
Index-Linked & Variable Rate	.
764 73 Do. 200 L. 36 764 2.30 3.	~ 1
101½ 86¾ 00.25c 1.L.2006 94¾ 235 21 104 90 00.25c 1.L.2011 963ad 261 21	
INT. BANK AND O'SEAS	1
GOVT. STERLING ISSUES	1
1021 <sub>2</sub> 924 Finland 14 <sup>1</sup> 30t Ln 1986 1011 <sub>2</sub> -1 <sub>2</sub> 14.29 13.9 1014 904 Int. Bank 13 <sup>1</sup> 30t 1986 1614 -4 13.37 13.1	8
1033, 97 Do. 14octo 1987 1024 - 12 13.63 13.1 1014 8712 Mex 16130 2008 8712d - 1 18.60 19.7 1004, 904 Sweden 1312bc 1986 9912d - 12 13.57 12.5	<u> </u>
1004) 904  Sweden 13/20: 1986   99/20  -12   13-3/   12.1	1
CORPORATION LOANS	1
965 85 Bath 114pc 1985 965 4 11.67 12.6 994 894 Brownan 12/spt 1985 995 4 12.53 12.6 112 87 Brownan 20 1987 1071-4 12.53 12.6	5 E
102 87 Burnley 13pc 1987 101148 -t. 12.78 12.4 951, 814 (2wd) 11pc 1985 951, -t. 11.56 125 1014 944 (3.L.C. 125pc 83 1014 +t. 12.34 11.1	ŏΙ
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221, 191 <sub>2</sub> Do. 3pt 20 Aft. 21 test -14 13.21 100 914   Sonderland 12 test 1984   100 -14 12.25 12.1	1
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AFRICAN LOANS	1

AFRICAN	
943 854 Aust. 6pr 1981-83 6812 744 Do. 71-pc 1988-92 161 136 69 58 Do. 3-pc 80-85 Asset. 42 32 Do. 3-pc 80-85 Asset. 380 318 Zinstabwe Arm (£100pa)	88 8.63 11.63 153
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		Public	Board	and	ind.		
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# **SERVICE**

FT SI	IARE INFOR	MATIC
LOANS—Continued	BANKS & H.P.—Cont.	CHEMICALS,
12 Prints  + or Yadd Low Stack & - look   Seek	1982 High Law Stack Price - Net Chr Srs PRE	1962 High Law Stack
Financial  952 FFI 14pc 83	10	87   50   Coales Bros
	98 78 (King & Shar Zūp 1 97 +2 6.5 — 1.6) — 246 -206 (Kleinwort B.L., 235 +3 10.0 — 6.1 — 5.00 500 372 (Lloyds £1	DRAPERY
Stock   Price   + or   Dr. * *   Red.	173   164   De. 71-78 (33-73)   166   171-78 (33-74)   165   De. 106/4 (39-8)   1820-4   -11-6   [010/4/24.5] (41.3]   -11-6   De. 106/4 (34.8)   170   140   Nat, Bis, Apri, SA1   142   -3   0272   3.1   8.8   3.7   480   388   Nat, West, £1   428ad   -4   425.2   5.4   8.6   2.3   1256/2 [444   Dhomas Bast 220   549   +12   04074   -3   2.2   177   92   Royal 8 k. of Scott. 96   -15.4   5.5   8.0   2.7   455   410   Schwoders £1   455   -5   115.7   -10.0   -220   179-2   Sectombe MC £1   255   -5   115.7   -5   10.0   -5   221/4 £15   Sect. Pacific Corp. £15-3   -4   45   -4   -4   -4   -4   -4   -4	77   37   (Aos. Jerebry 10)   341, 20   Adlebone 1 (Dp)   19   121, Amber Day 2 (Dp)   36   29   Aquescutum 5 (Dp)   331, 26   Do. 'A' 5 (Dp)   167   103   Saker's Strs. 1 (Dp)   164   15   Samber's Strs. 1 (Dp)   164   15   Samber's Strs. 1 (Dp)   164   16   Samber's Strs. 1 (Dp)   16   Samber's Strs. 1 (Dp)   174   18   Sertum KO 5 (Dp)   174   18   Brith. Henne Strs   174   18   Brith. Henne Strs   189   90   Brown (M) 2 (Dp)   180   180   190
80 th 14-9c tu, 20th 922-yat 14-2 15-61 17-1   retand 7-pc 18-83 95-bi -4 7-2 14-22 16-2 20 94-bi -1 92-bi -1 9	185 122   Wintrust 20p   163   355   -   3.2 -   185   122   Wintrust 20p   163   12	47 30 Caird (A.) 200 40 30 Carrers A 200 30 19 Caster (S.) 100 172 Church 39 27 Comb. Eng. 12:50 182 140 Comet Group 50 12:50 180 64 Courts A 180 184 67 Debermans 184 185 284 884 (Aste) lip. 185 186 185 Courts 10 Debermans 185 187 188 188 188 188 188 188 188 188 188
	BEERS, WINES AND SPIRITS	15 7 Executex 20p 52 37 Fine Art Devs. 5p 28 18 Find (M*tin) 10p 22 106 Exemplater 10p 1
(II) <sub>8</sub> (Amdahi	116 66 Allied-Lyors	68 50 Foster Bros

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05	1444	h44		n Brewery rthur 50o	20 188	<b>-2</b>	14.72	4.6	3.6	7.9	IŞ
8.3 6.8	£153	1 222	DE 92	Cri. 99-02.	£149	Į	091-% \$3.5	19.9	<b>K</b> 5	_	114
6.8	171	138		gions Brew's	169 94	-1	\$3.5 5.2	겖	3.0 7.9	B.1	题
6.3	98 194	1164		(Matthew)	286		6.35	괡	4.9 6.6	11.1	338
6.4 6.3 3.1 4.7	57	4	Buckle	s Brew	51	+ <u>1</u>	235 126	2.1	6.6	8.7	163
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6.5 7.1 8.8	168	1242	Clark (	Matthew).	144	<b> </b> _2	7.5	29	7.4	65	117
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6.7	376	1286	Greens	King	372	ļ <u></u>	71 49	3.6	27	15.4	45
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5.8 10.7		崧	Blue Circle El	435	1-10	175	1 37	5.7	51	ı
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# A FINANCIAL TIMES SURVEY

# INTERNATIONAL **FUND MANAGEMENT 1 OCTOBER 1982**

The Financial Times is planning to publish a survey on International Fund Management in its issue of September 3 1982. The provisional editorial synopsis is set out below.

Introduction: There have been great strides in the field of international fund management, spurred recently by a broadening of the investment horizons of American pension funds. But it is not always clear whether investors are seeking greater opportunities for growth, or are simply attempting to reduce risks by means of wider diversification.

Editorial coverage will also include:

Equities Bonds Property Currencies Venture Capital -

The Pacific Basin Regulation Performance Measurement **Securities House** Fund Managers

Order Date: September 3 1982 Copy Date: September 17 1982 For further information and advertisement rates please contact:

Guy Mainwaring-Burton Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY Telephone: 01-248 8000 ex 3606 Telex: 885033 FINTIM G

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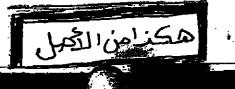
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# FINANCIAL TIMES

Tuesday August 10 1982



# Israeli air attacks step up the pressure

BY DAVID LENNON IN TEL AVIY AND OUR FOREIGN STAFF IN LONDON

THE U.S. Government has before it would take effect on

reassured the EEC's Commis- October 1 and limit the EEC's

sion that it does not consider share of the U.S. steel market

the recent steel pact by the to 5.754 per cent until the end Community and the U.S. to be of 1985. But it is also only the dead, according to Viscount latest in a series of deadlines

plain in Brussels yesterday that and Belgian steelmakers - are

ISRAEL LAUNCHED further military experts have begun from southern Beirut with fierce air and artillery strikes meetings to work out the details infantry and armour towards against Palestinian positions in of the expected deployment of the west Beirut enclave, against Palestinian positions in of the expected deployment of Lebanon yesterday.

Meanwhile, diplomatic efforts continued to be hampered by the problem of where the 16 miles east of Beirut. It was Palestinian fighters would go if . the first air raid in three weeks they were to leave the Lebanese capital.

Israel intensified pressure on Lebanon. Further clashes are the Palestinians while Jerusalem now feared imminent between awaited refinements to the plan for the withdrawal of about 6.000 Palestine Liberation Organisation fighters still in the

Lebanese Prime Minister, was quoted as saying the talks on the plan had been completed and that Mr Philip Habib, the Camp is located. The PLO U.S. special-envoy, was preparing a final draft in Beirut for southern suburbs of Beirut. the approval of all parties. Lebanese, French and U.S. said the Israelis were moving this effect.

Etienne Davignon the EEC Industry Commissioner.

This is in spite of the rejec-

tion of the pact by U.S. Steel, the largest American producer,

and objections by other big

steel-making companies in the

EEC and U.S. authorities plan

to use their political leverage

to ensure that by September 15.

their steel producers will have

which would reduce the EEC's

exports to the U.S. by about 10

per cent from 1981 levels.

Viscourit Davignon made it

West Beirut and central a multinational peacekeeping force, led by the French.

Israeli aircraft struck Palestinian positions at Tarchiche, against PLO positions behind the Syrian front lines in Israeli and Syrian forces in

Lebanon. In Beirut, the Palestinian news agency Wafa said waves West Beirut enclave.

Of aircraft bombed areas from
Mr Shafig al-Wazzan, the the coast to the western side of the "green line." which divides the city, and including Shatila, where a Palestinian refugee camp is located. The PLO has long had its main bases in the Some reports from Beirut to give a firm commitm

which has marked the course of

the worsening EEC-U.S. steel dispute since early this year.

still August 24, when pre-

liminary countervailing duties

of up to 40 per cent - imposed

ment on British, French, Italian

to become final.

the U.S. Commerce Depart-

The EEC's tactic, as outlined

by Viscount Davignon and Herr Wilhelm Haferkamp, the EEC

is to press ahead with pursuit

of EEC governments' and steel-

makers' acceptance of the

The deadline expresses a pro-vision of the steel pact, which govern all 11 principal cate-requires acceptance a fortnight gories of steel products.

per cent; stainless steel sheet and strip, and stainless steel plate, 4.08 per cent.

The main date for the EEC is

AMERICAN INDUSTRY'S REJECTION OF TRADE PACT NOT SEEN AS FATAL

U.S. reassures EEC over steel

although there was no independent corroburation of this. Officials in Jerusalem said

Israel had not yet received detailed proposals for the PLO worked out with intermediaries co-ordinating with the PLO. The major sticking point still appears to be whether the Israelis will accept that some PLO fighters can remain in West Beirut after the arrival of the

peacekeeping force Mr Menahem Begin. Israeli Prime Minister, appeared to indicate that some 2,500 Palestinian fighters could remain in the enclave after the arrival of the force. But yester-day, it was unclear in Jerusalem whether Mr Begin was prepared

Senior executives of some big

EEC steel producers, grouped in

the Eurofer club, are to meet in

Brussels today to discuss the

adjustments of exports needed

to share the burden of fulfilling the export-limitation pact.

is that the EEC's 6.3 per cent share last year of the U.S. steel

market should be reduced to

5.754 per cent by the establishment of export ceilings for the

various categories, and that

they should be governed by

The shares agreed for each

category are: hot-rolled sheet and strip, 7.45 per cent; cold-

rolled sheet, 5.15 per cent; plate,

5.98 per cent; structurals, 10.90 per cent; wire rods, 4.29 per cent; hot-rolled bars, 3.01 per cent; coated sheet, 3.32 per cent;

tin plate, 2.2 per cent; rails, 8.9

special EEC export licences.

The basis of the proposed pact

General Ariel Sharon, the more hopeful than ever that Israeli Defence Minister, is the PLO intended to leave known to believe the PLO Beirut, that the Israelis would national force and should therefore be evacuated before such troops arrived.

Israel is waiting for Mr Habib evacuation, which is being to say which Arab countries would be willing to give refuge to Palestinian fighters.

Anatole Kaletsky in Washington writes: The U.S. has issued its most optimistic statement to date about the prospects for success of Mr Habib's peace mission. "We believe that if the ceasefire holds, we can have a negotiated solution. Mr Alan Romberg, of the State Department, told the Press
Mr Romberg warned that
this made it "especially crucial" that a ceasefire be "scrupulously observed" by

Reginald Dale, U.S. Editor

adds from Washington: The

Commerce Department said that

it was still in touch with all

parties concerned in the steel

dispute, including the EEC and

the U.S. steel industry, but no

more formal negotiations were

Officials said that Mr Malcolm

Baldridge, the U.S. Commerce

Secretary, was always open to new suggestions. The rejection

of the deal by U.S. Steel, and

other companies and associa-

tions at the end of last week

did not necessarily mean the

end of the road, they said. The U.S. Government's view

is that a "fair" agreement

It accepts, however, that imple

exists between it and the EEC.

scheduled.

parties.

However,

would hide behind a multi- allow them to do so and that Arab states would find refuges for the PLO fighters.

• M Claude Cheysson, the French External Affairs Minister, said yesterday a possible solution to the Beirut conflict was very close.

M Cheysson said he had to keep very quiet over reports that French, U.S. and Italian military officers had arrived in Lebanon to plan a multinational peacekeeping operation.
"We are too close now to a

possible solution," he added. A timetable for the withdrawal of Palestinian guerrillas from West Beirut had been discussed with the Lebanese, the Palestinians, the Israelis and possible members of a peace-Cairo and the PLO, Page 3

# Hadson **Petroleum** issue flops

A SHARE ISSUE yesterday by Hadson Petroleum Inter-national proved one of the biggest flops in recent years, attracting applications for only 3 per cent of the 15m shares put up for sale.

The bulk of the £12m worth of shares in the European sub-sidiary of Hadson Petroleum, an Oklahoma-based oil and gas company, have been left with the sub-underwriters. The new company, which will be traded Unlisted Securities Market, has a 7.5 per cent stake in the promising Humbly Grove field near Basingstoke, Hants.

Lazard Brothers, the mermentation of the agreement would be impossible if the U.S. chant bank which advised Hadson, said yesterday that the steel industry were to continue to reject it, and that the in-dustry is unlikely to change its mind. issue may have flopped because investors were holding out for the Britoil offer for sale expected later this year under the Government's privatisation programme. The relatively low status of the USM could also have put investors off, and the merchant bank added that the offer had been "incredibly dif-ficult to value."

Oil shares in the U.S. and the UK have been trading at steep discounts to their asset value recently. The Hadson offer put a substantial premium on the estimated value of the company's holding in Humbly Grove and backed it up with the prospect of a discovery on its Spanish acreage. So far, work in Spain has yet to provide any oil or gas flow.

At 80p a share, the market capitalisation of the company would have been about £50m at the offered price. Dealings in Friday and analysts expect them to drop significantly, perhaps to

# Weather

UK TODAY

DRY with sunny periods. London. S.E., E. England, Midlands periods. Max. 22C (72F)

Becoming cloudy later. Max. 20C (68F):

Showers, some heavy. Wi Max. 16C (61F). Outlook: Becoming cooler.

S 30 86 Luxor — — Madrid S 26 79 Majorce

C-Cloudy. F-Fair. Fg-Fog. H-Heil R-Rain. S-Sunny. SI-Sleet.

63 Venice

THE LEX COLUMN

# Walking wounded on parade

Higher U.S. dollar interest rates and a falling equity market on Wall Street once again dominated proceedings in the London financial markets. Both equities and gilt-edged had a poor day yesterday, although—as usual in recent weeks gilt-edged looked much the more resilient. The FT 30-Share Index, reflecting the particular weakness of some industrial sectors of the equity market, is at a six-month low. AEG-Telefunken

given up the increasingly desperate search for a magic solution to tis problems. The industrial filrtations with GEC and United Technologies have come to almost nothing, and for the banks to inject more funds on a large scale, as they last did only two and a half years ago, would have been to fly in the face of their duties to depositors and shareholders

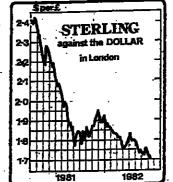
AEG-Telefunken has finally

The solution, which looks eminently sensible, is for AEG to file for partial bankruptcy under German law. Banks and trade creditors will be asked to write off 60 per cept of their exposure to AEG. There are three advantages to this procedure. Firstly, it should leave AEG with a more plausible balance sheet, giving it a chance to trade on a more or less pormal basis.
Secondly, in practical if not

in accounting terms, the writeoffs should not come as a shock this no longer seems to be the to the German banking system since AEG's loans were maniis so was shown by the relatively small drop yesterday in Inevitably, last year's disposal the share price of Dresiner of a half share in the profitable Bank, which has the largest South African company shows single exposure assuming that this reconstruction, unlike the last one, really has gone far enough-should now be quantifiable. It may mean no dividends from Dresdner for a while, but at

The major creditors have presumably agreed to the deal, almost inevitably that the shares. At the same time to become viable. One institute necessary measures are adopted underlying debt cannot be tion conspicuous by its absence too late and everyone is the much less than £60m. poorer as a result. In AEG's case, also, matters of national priste were at stake, which

Index fell 8.4 to 540.4



involve either liquidation or public ownership.

Carrington Viyella Carrington Viyella's first-half figures confirm the gloomy UK demand story which has been heard from textile producers in the last few weeks. Against that background, however, it is

fairly creditable to have improved the UK operating result by almost £2m. In these markets, for household textiles to have traded profitably is a genuine achievement, while a further 1.600 redundancies show that the new management is still taking shrinkage seriously. But

Carrington's attributable loss festly doubtful debt. That this is half as bad again-at £4.7m -as in the first half of 1981. up now as a heavy slug of Finally, the total bad debt minorities; that happens when exposure of the banks— a birth-right is sold. This has gone less predictably wrong in Consoltex, the 49.7 per cent Canadian associate, which lost C\$41m in its first half-year. Carrington's balance sheet is

not the sort of fortress to with- decided to persevere with New ? least there may be an end to stand such things indefinitely. man because institutions are this problem.

The last published accounts prepared to inject more hard showed revenue reserves of only £2.1m, even that supported but it may take some time to by over £8m of non-distribut the last Stone-Platt crists. pull everyone into line. The able property revaluations. Details of the reorganisation need to obtain the consent of Ordinary shareholders' equity will not be ready until next hundreds of parties to an must now be somewhat less month, but it will need to be arrangement of this kind means than the £45m par value of the on a large scale if Newman is

The case for an AEG solution would be irresistible, if only it were possible. As ft is, some slowed up the process even form of reconstruction seems capitalisation of Newman—
more. But at least German inevitable, in the medium-£3.2m at last night's price of 8p law provides a way out for a term. The 8p share price is lame duck which does not not saying that Carrington is metic.

bout to go under-it is not but it has an eye on the prop-pects for a recapitalisation. With £30m or £40m of new convespor lower fixed financing cocks— Carrington would have a chance to show the benefits of a smaller and more efficient operating structure.

It is hard to resist the conclusion that ICI's 49 per cent stake has been hindering any progress towards a reconstru tion. ICI has enough trouble of its own at the moment-yesterday it announced that plastics and petrochemical worldwide lost £71m preinterest in the first six mo of this year. But it does have a custodial responsibility, which ought to go beyond completent observations that its associate is pointing in the right direc-

Newman Industries The capital reorganisation of

Newman Industries is how overdue. The company has yet to produce 1981 accounts but the balance sheet was looking very stretched at the end of the previous year and can only have deteriorated since then. Losses have continued and the disposal of its UK ceramics business in February produced a hefty book loss.

So the Midland, Newman's principal banker, and Cycle and Carriage, its major Singaporebased shareholder must have thought long and hard about whether the group was worth successful businesses, particu-larly the Avdel companie, are being starved of cash by dis-asters elsewhere. The group's tangible equity is probably borrowings are in the region of £30m. There is clearly no way in which Newman can trade out

Midland has cash, a commodity which seemed in short supply during is Equity Capital for Industry tailor-made for this kind of looked at the present market -and done some simple arith-

# Oil company sues Gulf for \$3bn

By Paul Betts in New York

CITIES SERVICE, the U.S. oil company, is suing Gulf Oil for Kong Government to pay 3bn (£1.8bm) in damages. It HK\$1bn (£96.5m) for a local \$3bn (£1.8hm) in damages. It accused Guif, the country's sixth largest oil company, of "intentional and malicious breaches of contract.

The lawsuit, involving one of the largest damages claims on record, followed Gulf's sudden decision last Friday to call off its proposal \$5bn acquisition of Cities Service

Cities Service said it intended to buy back up to 25 per cent of its outstanding shares in the stock market to prevent a run on its stock. It said it was looking for another "appropriate" major merger partner to replace Gulf Oil, adding that should it fail after a short period of time it would liquidate the company in an orderly fashion.

Cities Service yesterday filed its lawsuit in a state court in Tulsa, Oklahoma, where it has its headquarters. The suit alleges misconduct by Gulf in connection with the friendly merger agreement signed by the two companies last June and accuses Gulf of failing to employ its best efforts to consummate the merger as agreed.

Gulf Oil had no initial comment on the Cities Service Gulf had offered to acquire Cities Service for \$63 a share in

cash and securities but blamed Federal Trade Commission antitrust opposition to the deal for its decision to call off the combination which would have created a new U.S. oil giant with annual sales of more than Before Gulf's announcement

last Friday, Cities Service stock dropped nearly seven points to Service stock was halted yesterday morning in New York. How Gulf Oil shocked Wall

an annual rate of \$3.5bn (£2bn)

in the first half of this year

trade friction with other indus-

isation for Economic Co-opera-

plus could rise faster than the

Last year the surplus was

an annual rate of \$25.500

# Shares fall as China bank buys £96m Hong Kong site

BY ROBERT COTTRELL IN HONG KONG

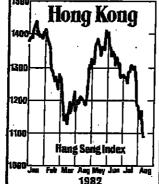
THE Bank of Chine, Chine's state-owned international bank. has arranged with the Hong headquarters site in Central district, Hong Kong. The building is expected to cost a further

The purchase contributed to an 80-point fall on the Hang Seng index.

The Hong Kong Government is offering "soft" finance for the purchase and the bank will pay an initial HK\$60m, with the balance to be met over 13 years at an interest rate of 6 per

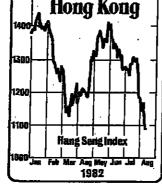
The HK\$1bn price compares fetched on the open market, but it is thought that the bank plans to include a garden in its design, reducing the area of the

had expected the move to be



with an estimated HK\$1.9bn dence in the Territory's future which the site might have prosperity as the UK's lease on much of the Territory expires in 1997. But local doubts about the deal, coupled with a weaker Hong Kong dollar, contributed 6.700 square metre site avail-able for commercial develop- Seng index which took the local stock markets down to a twoyear low.

The Hong Kong Government



## yield about one-quarter of the Bank of China's net profits, which rose 53 per cent last year to Renminbl 710.6m (£212m). It is represented in six other overseas cities, and has a large domestic branch base. The Hong Kong stock markets, already depressed by the weakness of the local dollar and nervousness over the colony's eventual future, found several aspects of the deal worrying.

payment term for the site ends before 1997; a term extending beyond that would have been interpreted more positively.

The sale is also reducing potential Government land-sale income at a time when its

revenues are under pressure. Mr John Bremridge, Hong Kong's Financial Secretary, yes-terday discounted as "absolute the market's adverse reaction to the deal which, he said, affirmed the mutual interest of Hong Kong and China in Hong Kong's continuing prosperity. China deal hits shares, Page 19

Hong Kong is estimated to

# AEG Continued from Page 1

also said it will give speedy and sympathetic hearing to further AEG applications for loan guarantees amounting to more Herr Durr admitted yesterday

that the company had been forced to drop its controversial survival strategy, AEG-83 after talks with potential industrial partners were abandoned. Both GEC of the UK and United Technologies of the U.S. withdrawn from negotia-

AEG management had hoped

AEG, but it clearly has a vital would have split the group into interest in securing a successful separate companies for capital restructuring through the legal goods and household appliances with the attraction of a strong outside shareholder for the dominant capital goods opera-

Dr Hans Friderichs, chariman of the AEG supervisory board and chief executive of Dresdner Bank refused to give details of is the most heavily committed of the German banks to AEG, but Dr Friderichs said yesterday "the earnings power and inner reserves of the bank will be adequate to cover these write-offs."

The AEG board's decision will to push through a far-reaching affect almost every sector of the restructuring programme, which West Germany economy. L1396.5 at Friday's close.

stock, with a 0.27 fall in the FT Government Securities index which closed at 72.39.

The dollar's rise was at the expense of all the major currencies. The Italian lira fell to an all-time low at the Milan fixing, 'L1411.3, although it closed in London somewhat Germany economy. 'L1396.5 at Friday's close.

Continued from Page 1

# Dow drops

Sterling continued its recent

firmness against Continental currencies, closing in London egainst the D-Mark at DM 4.2850, un 50 points from Friday's close. Its Bank of England tradeweighted index against a basket of currencies closed in London at 90.7, compared with 91.1 at Friday's close.

# People come to Tokai because Tokai takes charge.

S.W., N.W. England, Wales

N.E. England, S. Scotland Mostly dry. Max. 19C (66F). S.W. Scotland, N. Ireland Scattered showers, dying out. Max. 20C (68F). Rest of Scotland

WORLDWIDE

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28 82 227 81 70 222 70 21 70 21 70 21 70 21 70 21 73 21 88 81 88 31 88 31 88 31 88 31 88 31 88 31 88	The word is getting around that Tokai Bank is the place to go for expert intermation financial assistance. And it's as much a matter of attitude as it is of know-how.  Tokai is the 29th largest bank in the world, so they re big enough to know what they're talking about. But they're also small enough to talk straight. Consequently a
88 82 9 66 7 81	of people involved in international business are getting answers from Tokai — answ that make sound financial sense.  The broad Tokai network spans five continents. And at offices around the world is proving that they're not only an informed and competent financial management service, but a concerned international business partner as well.  Tokai Bank, Taking charge.

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big enough to know what straight. Consequently all kinds vers from Tokai — answers

offices around the world Tokai

TOKAI BANK

\*Assets US\$47,680 million according to a listing of the world's 100 largest banks in Institutional Investor, July 1981. Head Office: 21-24, Nishiri 3-chome, Naka-ku, Nagoya, Tel.: 052-211-1111 Headquarters: 6-1, Otemachi 2-chome, Chiyodako, Tokyo. Tel.: 03-242-2111 Overseas Network: (Branches & Agencies) New York, Los Angeles, Chicago, London, Frankint, Singapore; (Representative Offices) Toronto, Houston, Mexico City, Sao Paulo, Paris, Tehran, Bangkok, Kuala Lumpur, Mania, Jakarta, Seoul & Sydney; (Subsidiaries) Tokai Bank of California, Tokai Bank Nederland N.V., Tokai Asia Limited; (Alfaistes & Associates) London, Bangkok, Hong Kong & Sydney.

## Japanese trade surplus forecast to rise BY DAVED WHITE IN PARIS JAPAN'S SURPLUS on the \$4.8bn after a deficit in 1980. current level and that no more sees little scope for action on Exports should recover in import barriers are erected by the exchange rate. current account of its balance of payments could rise from the remainder of this year, the Japan's partners. All of these,

Import volumes are expected trialised countries, the Organ- to drop slightly by the year's end and to show moderate

tion and Development warns growth in 1983. Japan's trade surplus is In its annual report on the expected to rise slightly from Japanese economy, published \$20bn in 1981 to \$22bn this in Paris, the OECD reckons year, before soaring to that on present trends the sur- \$37.75bn next year. This assumes that world

OECD says, after what appears the OECD makes clear, are stance and high interest-rate to have been a decline in uncertain presumptions. volume in the first half, ... It ... "A substantial increase in ideadvatange of depressing

(£15bn) in the second half of may accelerate next year with the surplus would be celarly undomestic demand, especially 1983. This would exacerbate small gains in market shares, desirable as it would exacerbate small company investment and protectionist measures abroad house-building, it says. in a context of rising unemployment in most (OECD) member countries," it warns.

A more restrictive monetary policy would have the major

This would be at a time when economic activity is set to recover gradually between now The report focuses on the the end of next year.
"major problem" of the yea. The OECD forec

economy. But barring a big and to 2 perc ent this year, will rise sustained fall in U.S. interest to 4 per cent next year, reach-

that the yen remains at its capital outflows from Japan-it cent by the end of the year.

The OECD forecasts that which has failed to rise in line Japan's economic growth rate, with the improvement in the after declining from 3 per cent-

Japanese Government expects, trade picks up as expected, rates—the main factor behind ing an annual rate of 4.75 per

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